IN THE CIRCUIT COURT OF THE STATE OF OREGON

FOR THE COUNTY OF MULTNOMAH

JULIE CHRISTOFFERSON TITCHBOURNE,)
)
Plaintiff,)
)
vs.) No. A7704-05184
)
CHURCH OF SCIENTOLOGY, MISSION)
OF DAVIS, a non-profit California)
corporation, doing business in)
Oregon; CHURCH OF SCIENTOLOGY)
OF CALIFORNIA, a California)
corporation, doing business in)
Oregon; and L. RON HUBBARD,)
)
Defendants.)

EXCERPT OF PROCEEDINGS

Volume VIII
Pages 4457 to 4639
Testimony of Gerald D. Armstrong

April 10, 1985

BILL ELLIS & ASSOCIATES
Court Reporters
1001 S.W. Fifth Ave.
Portland, Oregon

(Court reconvened on April 10, 1985 at 9:48 a.m.)

MR. COOLEY: Your Honor, just in the event the Court might consider it worthwhile, I have had enough transcripts of the tapes done to give one to each of the jurors and to the Court and to Counsel.

THE COURT: I don't think the jurors necessarily need one. I think Counsel should have one to go along.

MR. WADE: And copies of the tapes.

THE COURT: The record should also indicate Mr. Gutfeld did deliver five boxes of materials this morning. They are right over there, three of which are marked attorney/client privilege, two are not marked. Pursuant to the order of yesterday, they were delivered this morning.

MR. McMURRY: Thank you, Your Honor. May we have the opportunity to go through the unmarked, unprivileged two, boxes over the noon hour or break?

THE COURT: Let's take that up after we get this started. I was going to do it, but we will talk about that. I want to get going.

MR. COOLEY: Would you like a copy of transcript, Your Honor?

THE COURT: I have only seen them twice.

Bring the jury back.

You want a limiting instruction?

MR. McMURRY: Correct, Your Honor.

THE COURT: These are being offered only for the purpose to show bias.

MR. McMURRY: Correct, Your Honor.

(Following proceedings held in the presence of the jury.)

THE COURT: Good morning. You are about to view two videotapes. They are giong to take about an hour and forty-eight minutes, I believe. They are being offered for a limited purpose. They are being offered to show the bias, if any, of Mr. Armstrong against the defendant. That's the purpose for this. Do you understand that? Okay.

(Videotaped recording played. Following is a transcript of meeting in Griffith Park between Joey and Gerald Armstrong, November 7, 1984.)

MR. ARMSTRONG: Good place.

MR. JOEY: Yeah, I think so. You like it?

MR. ARMSTRONG: Yeah, fine.

MR. JOEY: (Inaudible.

MR. ARMSTRONG: Yeah. (Inaudible.)

MR. JOEY: Been awhile. Been awhile.

MR. ARMSTRONG: Ah, I have to leave by 2:30 so we have got that long.

MR. JOEY: Wow.

MR. ARMSTRONG: Okay? That's okay.

MR. JOEY: We've got a lot of ground to cover. That's okay. We'll get there.

MR. ARMSTRONG: That's okay. We should be able to cover everything really quick.

MR. JOEY: Yeah. Okay. First (inaudible) Kind of like dealing directly now and I'm going to give you what I've got and I'll get what you've got and take everything back to the committee so everyone's in agreement and everyone knows everything.

MR. ARMSTRONG: Good.

MR. JOEY: Sound good with you?

MR. ARMSTRONG: Yeah.

MR. JOEY: Okay. I've got a bunch of stuff that you requested, so we can go over that.

MR. ARMSTRONG: Good.

MR. JOEY: Compiling a little agenda [hear/here] and you had a message for me. (Inaudible question.)

MR. ARMSTRONG: Well, I had -- I just more or less put together our perspective on this whole thing because it's been going on (inaudible).

MR. JOEY: What?

MR. ARMSTRONG: Verbally in any case let's go over that now. This is Mike's perspective. He sees the whole thing --

MR. JOEY: Mike and you went over this?

MR. ARMSTRONG: Well, this is how Mike sees the legal battle is going. What he sees, there's no other way. Like, it is going to happen sooner or later, you know, 'cause there's, like, a last skirmish going on and that's about it.

MR. JOEY: You think it's going to be wrapped up pretty as soon, you mean?

MR. ARMSTRONG: Yeah. Well, no one really is getting too concerned about it anymore. Their credibility's shot in all quarters. There's no -- There is no credibility left. There's -- They're simply being bled by some unscrupulous attorneys. That's all that remains. However, about the details, ah, his feeling is that a couple -- handful of right people with affidavits can end it, just end the whole damned thing.

MR. JOEY: Wow.

MR. ARMSTRONG: He feels (inaudible) and all the things that are going on, you know, it will take a little PR to do it. But it takes someone standing up and saying, "Hey, listen, troops," you know, "here's what's going on." He sees it as that. But he remains absolutely confident about Canada. I don't know what the latest you have on Canada, but yesterday and today, I guess it was criminal contempt that they brought against the prosecutor --

MR. JOEY: Right. I hadn't heard how it came out.

MR. ARMSTRONG: Casey Hill. I don't know on that. You know, it's sort of last brush fire.

MR. JOEY: Right.

MR. ARMSTRONG: It's that kind of a thing. They say they've got such a tight case, they've twenty-nine people they're going to indict, and then will begin the warrants -- warrants. They're going to have them served over here. They're going to have them picked up over here. You know, they'll be running -- the Feds, whoever is deligated, whoever accepts the hat, as soon as they're -- they have a treaty, obviously. It's just got to be a Mo and Jane thing the locals --

MR. JOEY: An extradition.

MR. ARMSTRONG: Yeah. The US authorities will serve these people and pick them up, and when they pick them up, they've got to -- they take them away and do whatever they do; fingerprint them if it's a criminal thing. And at that time they've either got to go into hiding, which -- likely, I really don't know. You probably have all the news and I'm just boring you to tears. And I have a lot of questions. If you have questions of me I can answer, I can answer them.

MR. JOEY: Let's -- That's pretty much what the scoop is. Let's just go through them briefly (inaudible). I'm amassing all these puny, futile campaign effort to regroup.

MR. ARMSTRONG: This is a deletion mark, so you have to delete. Delete campaign. Move on to the mind stretch group.

MR. JOEY: Okay.

MR. ARMSTRONG: This have simply is just -- I see -- this just lays down, in my opinion, all the things that are going on, how irrevocable the whole thing is and, you know, it's kind of time to act. But again, you people probably stay more up-to-date on the legal -- actual events than I do. But never before has there been cases that have had to come to trial within the next year; there's just shitloads of them.

MR. JOEY: Okay.

MR. ARMSTRONG: Okay.

MR. JOEY: Good enough. Let's go over this stuff, yeah?

MR. ARMSTRONG: What a nice folder.

MR. JOEY: This is the thing that got passed out at that big event. You heard of that?

MR. ARMSTRONG: Yeah, the ah --

MR. JOEY: You wanted I HELP stuff.

MR. ARMSTRONG: Yep.

MR. JOEY: And I have a whole bunch of documents here and samples of different kinds. I can give you these.

MR. ARMSTRONG: Good. This ah -- like a did in the candy shop.

MR. JOEY: I hope I got what you wanted here.

MR. ARMSTRONG: Oh, so far we're looking great.

MR. JOEY: Okay. You want to take a look at them. I haven't really studied them closedly, but maybe I can help you answer any questions.

MR. ARMSTRONG: You know, I won't waste your time right now with going over all of this, because I know as I go through it and study it and study the legalese, I'm going to have a lot of questions. Mikes going to have a lot of questions. Okay?

MR. JOEY: Yeah.

MR. ARMSTRONG: To ask the questions at this point before I digest this stuff, it doesn't make any sense to me.

MR. JOEY: Great, now --

MR. ARMSTRONG: But --

MR. JOEY: -- I need to know, like, what your strategy is regarding these type of things and what we are looking at doing.

MR. ARMSTRONG: Well, I got a view, of course, from you, of course, that someone at least considered that I HELP was, you know, their Achilles heel, as it were. So we thought, "Shit, shouldn't I get some I HELP materials?" So hence I asked. Now issues, I wanted to know, number one, how they're run off, what the type face is like. Are these like this? You know --

MR. JOEY: These are the real McCoys.

MR. ARMSTRONG: You see, because I think that during a part of this, we can simply create these. You know, I can create documents with relative ease, you know; I did it for a living.

MR. JOEY: Great. So what kind of stuff are we going to want to create and who's going to get it?

MR. ARMSTRONG: That's what we need to talk about.

MR. JOEY: Yeah. That's what I want to know. What's the input from Michael on it? How's it going to tie in with what he's doing and what the other people are doing and --

MR. ARMSTRONG: That's what we need to get.

MR. JOEY: -- and what do the agencies want on this?

MR. ARMSTRONG: Okay. Well, the agencies have asked for some specific things; that's all they've asked for. Now --

MR. JOEY: Let me take notes. What have they asked for?

MR. ARMSTRONG: Well, they've asked for specifically, now, some of the things you've already asked for and I've already passed on. The names that they mentioned: Marlowe, Reynolds, Doug Hay -- we talked --

MR. JOEY: Now, who wanted this?

MR. ARMSTRONG: CID.

MR. JOEY: Got it.

MR. ARMSTRONG: Now, do you want a number in CID?

MR. JOEY: Yeah.

MR. ARMSTRONG: Your people should call. Any problems, just call this guy; he's, in my opinion, a pretty straight guy.

MR. JOEY: He knows about the Loyalists, what we're doing, stuff like that?

MR. ARMSTRONG: Yeah. Basically, yeah.

MR. JOEY: What exactly have you told him and what did he say?

MR. ARMSTRONG: I've told him -- well, he feels that -- he keeps saying, "When are these guys going to talk to me? I'll meet under any circumstances."

MR. JOEY: Wow.

MR. ARMSTRONG: He wants to talk. You know, wait a -- let me get -- "Al Lipkin, 213-688-4260. At night" -- (Inaudible.)

This is really great. How far is the track? Is it a long thing?

MR. JOEY: I think -- (inaudible.)

MR. ARMSTRONG: "At night, 688-4151." I believe that's --

MR. JOEY: That's his home?

MR. ARMSTRONG: I don't think so. I believe that's how --

MR. JOEY: This is CID?

MR. ARMSTRONG: Yeah. I believe that's how he can be reached. I'm taking a fuck of a chance doing this; so are you. But there's a lot of --

MR. JOEY: What does he need from me? What does he want? Or is it just backup for what I need?

MR. ARMSTRONG: Well, it ties in -- he would like to get everyone to talk so that they can move, but -- but at the same time, I always say to him, "Listen, your putting us in an uncomfortable situation. If your telling me you haven't got enough to move right now, and I'm giving you the testimony, then I'm a marked man if you guys back off the investigation."

He said -- The reason I do that is not because I'm particularly paranoid but because I'm searching for what's going on in their skull. He assured me the investigation is going forward. "We've got enough; that's the way the government works."

MR. JOEY: Listen, the bottom line here -- I'm not aware of any crime the Church is committing right now. We've looked -- I mean, like, realistically.

MR. ARMSTRONG: How much are they paying PI's? Illegal expenditures. Illegal expenditures.

MR. JOEY: Right. We've looked at that. We talked about that at the last meeting, but --

MR. ARMSTRONG: Right.

MR. JOEY: I mean -- These people have apparently corporate power to spend this money. I don't see how that's breaking the law. We're not talking what they were doing in D.C.

MR. ARMSTRONG: No. Illegal expenditures. You see, it's kind of like -- Yeah, these people have the power; that's it, that's the whole thing. They've that power and they're abusing it, so that's why we're saying, "Enough." And that's why we have this lawsuit.

See, all it has to do with is money. It has nothing to do with "Did they shoot Billy Joe?" No, it's, "Who's using the funds of a" -- What's the word they use? -- "a charitable corporation?" You guys are a charitable corporation; right? Who's using the funds of a charitable corporation to -- what? -- entrap, to destroy someone's reputation?

MR. JOEY: How are they doing it?

MR. ARMSTRONG: Look at freedom, look at the whole Flynn escapade. That's it. That's the key. They overstepped the fucking bounds. They don't have any proof. So you -- they don't have any proof. Do they?

MR. JOEY: Well, my understanding is when they do these freedom things, they've got interviews and they got all of this. There's no breaking and entering going on, there's nothing like that going on. (Inaudible). The thing is --

MR. ARMSTRONG: How much have the PI's been paid?

MR. JOEY: I imagine lots.

MR. ARMSTRONG: You see, that's the whole point.

MR. JOEY: I mean for the last number of years, everything that these guys do are run by attorneys. I mean, they've got banks of attorneys checking all the laws, all of this, what we're talking about, you know, basically. They're not breaking the law because they've the attorneys checking everything. Before these Freedoms go out, they check the law of libel, the law of this, that. You know what I mean.

MR. ARMSTRONG: I understand.

MR. JOEY: So it's like we get into areas of law I don't -- and the committee, if I can say, from our end, we don't see that.

MR. ARMSTRONG: You don't see what?

MR. JOEY: Blatant criminality.

MR. ARMSTRONG: I understand. It's all done -- it's anyway -- it's just -- I understand your question. I don't see it as a problem like you see it as a problem. I see simply that an organization cannot do that. You cannot simply take people's money and use it to destroy someone. It just doesn't wash. You can't say, "I'm a Church and," you know, "let's go kill him." You can't. Anyway, that's the whole -- I understand what you're saying and I'll send it back down the lines.

MR. JOEY: Yes. You tell Michael that's what we're sitting with. We don't see it and we can't see how that's going to go if it's drilled in. Ever since the raid, no illegalities, no illegalities, attorneys, attorneys, attorneys, and they say, you know --

MR. ARMSTRONG: Where's the money? Do you guys know where -- how much money has gone to the attorneys? For what? They're fucking bleeding you -- bleeding you. Surely the congregation has the opportunity to stand up and say -- and say, "It's our fucking Church and our money." Otherwise, your saying, "Well, shit, it's totally legal." Your saying it's totally legal. "Yeah, we can buy a house of prostitution in Nevada; it's legal, but you can't use the Church bucks for that, asshole." That's the way we see it, you know. It's kind of, like, illegal. Fuck, if I -- It's the logic. That kind of the way -- and I think the complaint was tailored in that way, wasn't it? -- didn't go into, like the heavy crimes. Just this much money has been re these things.

MR. JOEY: The suit the Loyalists had filed --

MR. ARMSTRONG: Right. You guys have information, I understand, regarding the payment of money down in Florida -- right? -- to someone. Okay they weren't planting drugs and hookers on old Judge Frisbie, but they sure did pay for the goddamned boat, they paid the PI's and they made some recordings; am I correct?

MR. JOEY: I don't remember that. They do pay PI's lots.

MR. ARMSTRONG: Exactly. That's the whole thing. Enough.

MR. JOEY: (Inaudible.)

MR. ARMSTRONG: But the whole point is, these guys are being indicted. You see, you can't --

MR. JOEY: What are they being indicted on?

MR. ARMSTRONG: Huh?

MR. JOEY: What are they being indicted on?

MR. ARMSTRONG: Well, probably fraud. And they're about to get Hubbard, probably, on tax court fraud, not paying his taxes, failure to file a W2, whatever it is. I don't know.

MR. JOEY: See, what doesn't fit in our mind is, like, you know, Hubbard has got attorneys, tax attorneys, he's had for years, and he has all these attorneys to make sure --

MR. ARMSTRONG: You know what? You know what? This is the way it is. It took a long -- kind of a long time to learn, you know. I could be all wet. Maybe it will never go. All those things could happen. But there's a big difference between law and justice, and they're always in the law. But it's not just -- you know, you can do things within the law, but they're not just -- you know --

MR. JOEY: Okay.

MR. ARMSTRONG: Their PI's were always in the law. He was always in the law; right?

MR. JOEY: Right.

MR. ARMSTRONG: Except G. Armstrong is going to get a fucking big award because they did it, because you just don't harass people that way. You

-- You don't take Joe Citizen, who's got zero money, you've just robbed him -- and then you turn the weight of that organization with a bunch of fucking meatball PI's against him, you know.

MR. JOEY: I got it. Okay.

MR. ARMSTRONG: It's law and justice. And we're saying, "Fuck it; it's unjust." And that's what I think. Somebody's got to stand up. It doesn't really matter. Anyway, I think the swap of information is very vital and I think if we keep going along, you know, the more things happen, the more there is -- the more we're in control of this whole damn thing. Because the fact is, we're out here and they can't hear this shit. They gotta hide. Miscavage is hiding; right? You don't see the fucker around. So now you've got --

MR. JOEY: Well, your not hiding.

MR. ARMSTRONG: Huh?

MR. JOEY: Your not hiding.

MR. ARMSTRONG: Fuck, no. And --

MR. JOEY: Your not afraid, are you?

MR. ARMSTRONG: No. And that's why I'm in a fucking stronger position than they are.

MR. JOEY: How's that?

MR. ARMSTRONG: Why, I'll bring them to their knees.

MR. JOEY: What do you think is going to happen?

MR. ARMSTRONG: You mean, what's my prediction?

MR. JOEY: Yeah, what's your prediction? And how --

MR. ARMSTRONG: That they're going to lose in a whole bunch of jurisdictions. They're going to lose. They're going to lose. There are going to lose. And they're going to start losing -- 1985. They only even have to lose one, and attorneys all over the country are going to jump on the fucking bandwagon. And watch, you know, all of a sudden you've got precedents being established which are incredible. The organization continues on with its kind of Band-Aid philosophy. Slap a Band-Aid on. Aw, shit, rip it off and slap another Band-Aid on. Meanwhile, life happens to be marching by and they put all the Band-Aids on about all the lawsuits they can, and it's coming to trial. They took a bath in Armstrong. They took a bath over in the UK. They took a bath in the tax case. They're about to get burned in Samuels because they're not going to be allowed to intervene. And when that happens, Hubbard's going to be defaulted, and pretty soon you'll find Martin Samuels selling you Dianetics books because he'll own the copyright because it's already been adjudicated that the organization is L. Ron Hubbard's alter-ego, in Armstrong. And they're equilaterally stopped from proceeding, even on that issue. Oh, they'll bob and weave for awhile, but they're going to get slapped down.

Pretty soon, Tamimi's going to be extradited. Now, Tamimi, himself, of course, is an interesting paradox. You'd think this guy has some substance, and yet here's this -- here's this --

THE COURT: Here is wshere we lost some sound for about two minutes, I think.

(Tape became silent but picture reception continued. Sound was lost at 19:45 and resumed at 21:45.)

MR. ARMSTRONG: -- again, I don't know your people's position in the organization, but I see that policy is the thing that is handled at the top. So if someone wants to change policy, if you see a conflict in policy, you can write up a CSW to change the policy and that policy goes up lines. I assume you can still do that in the organization because there's policy to cover it.

MR. JOEY: Right.

MR. ARMSTRONG: Right? So you originate policy and in the CSW, put all the relevant information. You retain the CSW and you send up the -- the proposal to the people up top. The people up top are going to do whatever they do -- depends on what you intended when you submitted the issue.

MR. JOEY: So you can affect attorneys and --

MR. ARMSTRONG: You can affect the whole damn thing. You can cause a policy change. For example, regarding the use of PI's, there's a -- Hubbard says in his old issue, "Use our own people; don't use outside people." Well, that's going to hurt. That's going to trap Hubbard, you know. So, in fact, we have to change that policy. And you can put in your CSW the risks that are being run. For example, if it's -- anyway, you can say -- and this is a problem that they run into, the PI's overstep their bounds -- right? -- and they know it.

MR. JOEY: I don't know that. I mean, legally, I never -- it's like, you know, attorneys --

MR. ARMSTRONG: See, again, I can't tell where you people are positioning to know what in the organization. You know where I'm coming from. In other words, you're not going to have, for lack of any other post, the dishwasher originating issues regarding PI's.

MR. JOEY: I want to give you the really good news. Are you ready for this? You're not talking dishwasher, we're not talking dishwasher.

MR. ARMSTRONG: Operation Long Prong?

MR. JOEY: Two members of the Board of Directors. Closed.

MR. ARMSTRONG: Closed. Holy -- You can do one -- you've got two, two board members? Have they already signed up undated resignations?

MR. JOEY: I'm sure that's standard.

MR. ARMSTRONG: But they can invalidate them. Let me -- Let me make a note of that. Okay? Because I'll ask Mike on that. It's a legal point. Okay.

MR. JOEY: So we got these and we got ideas on how to change them.

MR. ARMSTRONG: They're just a lot of ways I think that you can --

MR. JOEY: Colors and stuff.

MR. ARMSTRONG: Exactly.

MR. JOEY: You know how to do all that. Change them and --

MR. ARMSTRONG: Well, I think that it is possible. I think a lot of things can be done. I don't propose to. I can't go within a mile of the organization, obviously, so I can't be stuffing things into their comm basket.

MR. JOEY: Oh, Yeah. There will be helpers involved. I want to show you this thing. Now, this was from the I HELP --

MR. ARMSTRONG: Yep.

MR. JOEY: -- and got shredded and we put it together.

MR. JOEY: You know who's handwriting that is?

MR. JOEY: No. Anyway (inaudible) channel all money flows, I HELP, thereby, dada, and it's talking about the money and I HELP. But why I keep bringing up the legal thing, there's a thing here, handling something, each country's laws, so it looks like it's going to be run by attorneys. You know what I mean. I don't want to give that up. It's not broad -- you can look at it.

MR. ARMSTRONG: What's the date on it, do you know?

MR. JOEY: It's new. 6 September --

MR. ARMSTRONG: -- '84. So I HELP is a thing that's going on.

MR. JOEY: The only thing I can give you, it gives you what the initials stand for, something about counseling or something.

MR. ARMSTRONG: Fine. Fine.

MR. JOEY: Don't know whose that is?

MR. ARMSTRONG: Okay. Well, we won't worry about that right now.

MR. JOEY: You want to look at anything on that?

MR. ARMSTRONG: What we may be able to do is paste this down and then photocopy it again. If we could do it real well, we could turn it into a natural rather than a -- you know what I mean? Glue the sucker really well and rephotocopy it -- and hopefully these are never picked up -- and then join the whole thing back together, just sort of crimp it a little bit because the scorching has turned the edges up. Looks real good. I don't understand it all, yet (inaudible).

How do your people feel about -- about the organization, like where they're at? Like, do they feel they're going to weather this storm? Like they're getting more powerful? Or that, you know, they're so firmly entrenched that only this plan of attrition is going to at all move things along?

MR. JOEY: Well, we're looking very seriously at actually filing that suit. And one of the things we want back from Michael is what the timing of that should be, see. We have it working in both directions. (Inaudible.)

Now, I'll give you this whole thing, all I've got here, the pledge. You wanted the pledge; right?

MR. ARMSTRONG: Yeah.

Who are these people? David Miscavage? Vicki Aznaran? Heber Jentsch?

MR. JOEY: Here's a policy letter. I want you to do something with policy letters.

MR. ARMSTRONG: Sure.

MR. JOEY: The whole thing was passed out. That's the name of the group and their address and their magazine. They've all these commendations and things that Hubbard's gotten, certificates, international who's who in lecturing. What do you think about all this?

MR. ARMSTRONG: He's gotta go down in history as the greatest con man of all time. What fraud.

MR. JOEY: What do you want to have happen to him?

MR. ARMSTRONG: To have happen to him, I'd like to talk to him.

MR. JOEY: Is that all?

MR. ARMSTRONG: Well, I'd like to end the madness. But, you know, I don't have any problem -- I would like to talk to him. I'd even like to tape the conversation. I think that probably for the first time I would be able to talk to the old fart. "Ron, Ron, where did you go wrong?"

MR. JOEY: From your end, where do you -- what do you want?

MR. ARMSTRONG: What do I want you guys to do?

MR. JOEY: No, wait. Just look at purposes here for a second.

MR. ARMSTRONG: Oh.

MR. JOEY: What's your --

MR. ARMSTRONG: My purpose?

MR. JOEY: Yeah. For the Church.

MR. ARMSTRONG: Well, my purpose initially is global settlement; I want that. I've done this shit now for going on three years, and even longer before that when I was inside, such a crusader, rabbit kind of thing, and it's a pain in the ass. And it just seems so stupid to me, and I would like to end it before some asshole goes off his fucking rocker and starts shooting people, which I think they're capable of. They're pretty crazy guys. Peterson is a psycho. Their attorney, Peterson, is a fucking psycho.

MR. JOEY: Do you think the organization's psycho?

MR. ARMSTRONG: Well, I'll tell you, it is acting like a psychotic organization, you know, when we're doing this, skulking around, meeting and driving around in the fucking -- that's crazy. I mean, okay, and we can play the game but, god, to live that way, professing to be a Church, it's just so much madness. The world is not -- it just isn't constructed that way.

They've created enemies in there and they're not there, so I -- I'd like that to happen initially. I'd like to achieve a global settlement so that I don't have to continue on, because one thing they have to know is, I'm not going away. They say they're not and I think there's a growing number on the other side who are not, and they're looking in a worse and worse position all the time. All these cases are marching on and on and they've bobbed and weaved, and they've manipulated and played with the law and spent billions of dollars, and things are marching on. I don't --

MR. JOEY: So no real animosity.

MR. ARMSTRONG: You mean toward anyone?

MR. JOEY: Yeah.

MR. ARMSTRONG: Aw, to the contrary. I mean, I'm meeting here with you, of course; you're not exactly what I would call a Scientologist. Scientologists sort of tend to think with their ass. You know, it's just a pain in the butt, to be concerned about these guys and to think, you know, that they're going to try to fuck my life over every chance they get. And I think that, you know, they happen to be a bunch of terrorists who walked into my purview and I kind of think that you sort of have to stand up. I'm not saying incarcerate them or slap -- they need to be slapped down, is what they need. They need to be fucking held in check. Not even the biggest corporate giant in the world abuses the law like these assholes. It's just a -- And they're unscrupulous because they're so fucking right about everything. I mean, like -- Okay.

MR. JOEY: Right. One thing I got to say. I don't see like the actual breaking of the law where your talking, I mean we get into other areas --

MR. ARMSTRONG: Oh, I know what you mean.

MR. JOEY: You do understand that? I mean, like I think --

MR. ARMSTRONG: Yeah. I mean the whole thing --

MR. JOEY: I mean they got the lawyers. I mean deep down inside, they must know -- can't see --

MR. ARMSTRONG: The what?

MR. JOEY: The break in the law. I mean, they have the attorneys to check it. You know? So they're going by the book, the letter of the law.

MR. ARMSTRONG: They had attorneys -- They've had attorneys check everything. They had attorneys in the Armstrong case. They took a bath. Their attorneys are giving them bad advice; that's the reality. Hubbard's attorneys are giving him piss poor advice. Jesus, he keeps getting more lawsuits and gets closer to the brink every day. They're just sucking him in. That's the thing. To say, "Well, it's legal because the at" -- horse shit.

MR. JOEY: Okay.

MR. ARMSTRONG: Attorneys are a bunch of crooks.

MR. JOEY: Okay. Okay.

MR. ARMSTRONG: Anyway, that's only for --

MR. JOEY: Let's move on.

MR. ARMSTRONG: Anyway, that's only the mentality, the mind sit, that you guys can have. You can take that -- You can take that viewpoint rather than, shit, they checked with the attorney. You know what I mean? One just says, "Bullshit, this is a fucking unjust," and take a stand and back the fuckers down. And the other one is --

MR. JOEY: Unfortunately, maybe unjust has nothing to do with the letter of the law.

MR. ARMSTRONG: Oh, it has everything. That is what its all about. Right in front of all the buildings is this blind lady with all the goddamned scales. That's what it's all about. Okay, okay.

MR. JOEY: Okay.

MR. ARMSTRONG: God, how'd I do?

MR. JOEY: Philosophywise --

MR. ARMSTRONG: As an orator, shall we say. I got to ask some questions. Doug Hay?

MR. JOEY: Haven't found that yet.

MR. ARMSTRONG: Okay. Do you know where Marlowe and Reynolds are?

MR. JOEY: I don't know.

MR. ARMSTRONG: Has there been any high-level defections? Any defections recently that they're concerned about?

MR. JOEY: Not that I'm aware of.

MR. ARMSTRONG: Do you have anyone out at Gilman?

MR. JOEY: We have someone that goes there quite regularly.

MR. ARMSTRONG: Do you know where Miscavage hangs out?

MR. JOEY: He appears and disappears. I mean, he can bore we start , he can be around the Complex.

MR. ARMSTRONG: Is he often -- Do you know what he drives?

MR. JOEY: No.

MR. ARMSTRONG: Can you make a note of that? Find out what they all drive. You need -- Get me --

MR. JOEY: What's the purpose of this? Is this to serve them?

MR. ARMSTRONG: Well, serve them is one thing, but maybe get them picked up. I don't -- You know, it's kinds of like -- you know, we need this flow of data going back and forth; it has to happen. And I think that the Feds are going to be real pleased with the fact that it's happening and I think that they'll reciprocate.

MR. JOEY: Great. Great. So what agencies know about us and what do they want and --

MR. ARMSTRONG: Justice Department, FBI --

MR. JOEY: You talk to these guys?

MR. ARMSTRONG: Yeah, I do. Yeah.

MR. JOEY: Like who in Justice? Is there a number I can call there?

MR. ARMSTRONG: Richard Greenberg. I gave you that one, I think. He's the guy you should call. I'll give you that number. He's in D.C.

Did the LA FBI case get dismissed?

MR. JOEY: (Inaudible.)

MR. ARMSTRONG: Okay. Uh, 202-633-3368. I gave you one for Tom Doughty, FBI in D.C.

MR. JOEY: What's his name again?

MR. ARMSTRONG: Tom. Thomas D. Doughty, D-o-u-g-h-t-y, 202-324-4532. I gave you CID. There's another guy in CID --

MR. JOEY: Yeah. Al Lipkin.

MR. ARMSTRONG: Al Ristuctia, R-i-s-t-u-c-t-i-a.

MR. JOEY: Is this Al, too?

MR. ARMSTRONG: Albert, yeah. 688-4261. It may be the same as the other one I gave you, I'm not sure. Al Lipkin? No the other one is sixty, okay?

MR. JOEY: Canada.

MR. ARMSTRONG: Oh, in Canada, you know, they have that thing "Project 20." The guy I've talked to a lot is Al Ciampini, 416-965-6138.

MR. JOEY: Who was he with, again?

MR. ARMSTRONG: He's just the Ontario Provincial Police. Michael -- Mike also thinks that the Florida Attorney General is going to bring some charges. The -- you know, the whole freedom thing. Mike got an indication from -- did I give you the name of the guy who's handling that investigation?

MR. JOEY: No.

MR. ARMSTRONG: The Tamimi investigation? Let's see -- Brackett Denniston. His first name is Brackett; last name is Denniston, D-e-n-n-i-s-t-o-n, and he's (617)223-2280. He's the Assistant U.S. Attorney involved in the Tamimi thing. And his last indication to Mike was: it is clear that an attempt to completely ruin someone's name with false information is a crime.

MR. JOEY: Got it. Okay.

MR. ARMSTRONG: So all you have to do is, again, take that viewpoint: "It's a crime," never been proven.

MR. JOEY: So what do these -- what's justice need from Loyalists, FBI, CID, how --

MR. ARMSTRONG: They'd like to talk to whoever knows about -- I'll tell you who wants to talk to you is CID. CID are the guys. That's the most likely -- absolutely the most likely place in which the whole thing will happen. Canada, you know, they're a little far away; they're going to move first. And perhaps it is an embarrassment to the rest of the U.S. people that the Canadians scooped them on the thing. You know, if everything goes right with the Canadians, they have to move by December 2nd. That's the cutoff date. If they don't by December 2nd, then that's all over, they give back the Toronto docs and --

MR. JOEY: So what do they want from us?

MR. ARMSTRONG: They want to talk to you people. They want -- yeah, there's two things. Number one, you guys should, I think, make plans, at least, in the event that the whole thing is blown, someone breaks or whatever, exactly how to handle it, because, you know, you can simply -- no one needs to be held. Don't go for it. Just walk out the door. And I don't know if they'd be stupid enough to try to fuck you over by holding you; maybe, but I doubt it.

MR. JOEY: I was looking at all this.

MR. ARMSTRONG: Oh, anyway, just be aware of that possibility. And I think that --

MR. JOEY: That -- that if I went down and talked to him -- I wouldn't go there, first of all --

MR. ARMSTRONG: No, no.

MR. JOEY: Too many Scientologists around.

MR. ARMSTRONG: No, I wouldn't say go there. Call him and make arrangements so that he can talk to you people. That's what makes sense. And it makes sense that --

MR. JOEY: Think he might arrest me?

MR. ARMSTRONG: Him? For what? Oh, no, no.

MR. JOEY: Church of Scientology --

MR. ARMSTRONG: Oh, no, that he --

MR. JOEY: They know where I'm coming from?

MR. ARMSTRONG: Well, you know what would make sense? It would make sense in my opinion to make the contact through me so that he knows that you are part of the people that I've talked about. That makes sense. That would save you any problem in terms of identification because they are leery of entrapment.

MR. JOEY: Great. Great. One of the things

I want to ask, Lyman Spurlock --

MR. ARMSTRONG: Yes.

MR. JOEY: -- and Carol? I told you about Carol?

MR. ARMSTRONG: No.

MR. JOEY: Oh, good looking girl. Got a plan on that.

MR. ARMSTRONG: Oh, is -- is Carol the name of the girl?

MR. JOEY: Yeah.

MR. ARMSTRONG: The name of your girl? Oh, Carol. I -- see, Carol is his wife's name, but they've had such a rocky marriage, it's been like off-and-on divorce as long as I've known the guy since '77, so I just thought he's a possibility. I didn't know Carol, but thanks anyway. No, he told me that a real good looker I thought, God, this is, you know, an absolutely perfect opportunity because I think that -- that -- the way to the man's mind is through his cock. And -- and those people especially. I mean, none of the people in WDC are -- are -- you know, ASI, none of them have, like, a lot of brain power. You know what I mean. They're not intellectual giants. And they definitely had rather, shall we say, Philistine tastes. And, you know, there are a lot of good looking women with Philistine tastes, if you know what I mean. It's a possibility.

MR. ARMSTRONG: You were going to say something? Did it happen?

MR. JOEY: No. So we say, you know, if he gets set up with her --

MR. ARMSTRONG: You know, if she's a good actress. You know, I was wondering about the E-Meter today. You know, it seems to me that the E-Meter reads if you don't know your story real well. If you've got your stories down, I don't think there will be any problem. And I think she -- I mean, I would like to have the opportunity to sort of (inaudible) some of this off. I just think you guys -- I don't know if it's been tried before, but there's definitely a way to get to the top. That's been known in high political circles for a number of centuries. That could be a lot of fun.

MR. JOEY: What time do you have to leave?

MR. ARMSTRONG: Now.

MR. JOEY: You don't --

MR. ARMSTRONG: What else? Do you have some specific questions?

MR. JOEY: Yeah, a couple of things. You can meet the financier if you like. She's here in town for, like, a day or so. You can go over and meet her, if you like to do that.

MR. ARMSTRONG: Someone is financing for you?

MR. JOEY: We've got this girl that Dan told you about.

MR. ARMSTRONG: Yeah?

MR. JOEY: She's here and she'd like to meet you just to see if your a real person.

MR. ARMSTRONG: Does she want to see me with Dan?

MR. JOEY: No. I can take you over there.

MR. ARMSTRONG: Okay.

MR. JOEY: We can do that.

MR. ARMSTRONG: When -- give me a --

MR. JOEY: We can do it right now.

MR. ARMSTRONG: Oh, oh, no. No. I can't right now.

MR. JOEY: Oh.

MR. ARMSTRONG: I need -- I need a little time, usually. See, when you called today, and, it was fine -- everything worked out fine. I have my wife at work; got to pick her up at four. We only have the one car as yet so we kind of have to jockey it around. But normally, like a day in advance, I can be anywhere at any time. I don't have a job. Hell, I just --

MR. JOEY: Great. I need to hear back from Michael on the timing of the suit. And you had one other question. You wrote one other question down tonight.

MR. ARMSTRONG: On IHELP.

MR. JOEY: I got the samples and stuff like that.

MR. ARMSTRONG: Right.

MR. JOEY: Can I hear back from him, like now? Can we call him on a pay phone or something?

MR. ARMSTRONG: Oh, shit. I doubt -- now's a real bad time. See, it's 5:30 in Boston and he'll be out of the office and wouldn't be home yet. Are you following me?

MR. JOEY: It's not worth a shot?

MR. ARMSTRONG: I wouldn't. I wouldn't. I think we'd waste our time trying to locate him somewhere.

MR. JOEY: You can call him, then run it by him and then get back to me.

MR. ARMSTRONG: Yeah. I got to see Dan tomorrow on some matters -- on some literary matters.

MR. JOEY: All right. All right. Now, did

Michael have any more messages for us, looking at what kind of direction to move in and any other questions he had?

MR. ARMSTRONG: Well, you know, things -- oh, I know. He's going to have a question: is she going to back it? Is she going to come up with some bucks so that --

MR. JOEY: Looks really strong.

MR. ARMSTRONG: Great. I think it's great. By the way, she -- she's into publishing, did you know that?

MR. JOEY: Yeah.

MR. ARMSTRONG: So if we saw her, I have some art work --

MR. JOEY: Yeah, definitely bring it. Definitely bring it.

MR. ARMSTRONG: Okay. Some of which you have there.

MR. JOEY: Yeah. I'll show her the sample.

MR. ARMSTRONG: What else? I think that's it. I would like --

MR. JOEY: All right. What about Monday?

MR. ARMSTRONG: I'll get those things from him. Do you want me to leave answers with Dan tomorrow?

MR. JOEY: Yeah, that'll be good.

MR. ARMSTRONG: Or I'll track them down somehow, either tonight or first thing in the morning.

MR. JOEY: If I can get away from another meeting, maybe we'll do that. Okay.

MR. ARMSTRONG: I'm going to see him tomorrow. Maybe we can set something up for Friday.

MR. JOEY: If I call you tonight, that'll mean I'll take it. If not --

MR. ARMSTRONG: Okay.

MR. JOEY: I think I'd rather take it myself.

MR. ARMSTRONG: Okay.

MR. JOEY: She's going to run by the IHELP docs, the policy letters, the suit --

MR. ARMSTRONG: Yep. Oh, do you guys know about Homer Shomer's suit?

MR. JOEY: The Committee may; I'm not familiar with it.

MR. ARMSTRONG: Okay. We think that that's quite important. You know, he had sued -- he had sued, and I wrote it in there who he had served, and ASI's been served; it's very significant because it's using unfair -- unfair work or labor practices against a profit corporation. Takes away the whole religious --

MR. JOEY: Yeah. Yeah.

MR. ARMSTRONG: -- thing and it moves it into a different realm.

MR. JOEY: All righty.

MR. ARMSTRONG: What are you? (To animal)

MR. JOEY: Fascinating little rodent, isn't it.

MR. ARMSTRONG: Oh, I love it. I've never had one of these guys just come up in my lawn like that.

MR. JOEY: Okay. Is there anything else the Loyalists should be doing other than possibly using these documents, filing this suit?

MR. ARMSTRONG: They should be preparing affidavits.

MR. JOEY: Right.

MR. ARMSTRONG: They should be --

MR. JOEY: You mentioned before, like a PR campaign getting ready for this.

MR. ARMSTRONG: Well, that's the sort of thing, you know -- that is the sort of thing like the issue. There's many, many other things. Like you could size up -- obviously every time you talk to someone, it's part of a PR campaign as far as you guys are concerned. Right? You get a new recruit into the fold. It's a PR campaign.

MR. JOEY: Like these issues and PR campaign are going to disrupt the Church and turn it into management.

MR. ARMSTRONG: Well, those things, I leave that up -- obviously you guys are in a better position. Christ, you know the game far better than I do. If you want to agent provocateurs, you're the artists. You can probably "do what thou wilt" along those lines. I don't think I have to give you any instructions, but I do think that you know we sit at a particular crossroads of history relative to the Organization and, damn it, we should be able to act, I think. You know? And cause our own destiny here, instead of sitting back and waiting for it to happen. The adrenalin rush. But actually, I can do without that shit. Hence, I'm involved. I keep hearing those things all around, man --

MR. JOEY: All right. All right.

MR. ARMSTRONG: You know I'll probably have more questions. I always have a lot of questions later. Oh, the other thing, I don't know if it makes sense to you to sort of divide up the Organization and go after people on that basis.

Just so that you know, shit, we have this group covered. And then divide it up structurally so that you have all the various key points which have to be covered. I think that you guys will be able to take over and then use operating income to continue the battle. And that way you can secure the buildings, take it over, and I think that it's going to take that kind of thing, a lot of people, by the way.

MR. JOEY: Like game plan. Like you want the global settlement, like you say, working together. It'd be like our people running the Church, getting these guys out of the way.

MR. ARMSTRONG: Sooner or later someone's going to have to settle.

MR. JOEY: Yeah.

MR. ARMSTRONG: Like if you guys decide, "Fuck you," just continue on. It really doesn't make any difference. I have my lawsuit and I'm going ahead on that. And that keeps me involved, you know, in addition to everything else I do, and that's going to pay off sooner or later and I'm going to assist wherever I can in bringing this goddamned dog to bay, because I think it's -- there's no fucking way you guys should have to go through searches when you walk in and out of the

Church or through fucking TV cameras. You're talking about some goddamned terrorist organization, PLO head.

MR. JOEY: Well, they're afraid of robberies, that's the line.

MR. ARMSTRONG: Oh, horse-fucking-shit. Yeah, robberies. That's why they're frisking people, right? I mean, that's crazy and it's time it ended. And not only that, but when you get a group of crazies together --

MR. JOEY: Yeah. Oh okay. Anything else you need from me?

MR. ARMSTRONG: I don't think so.

MR. JOEY: You do definitely have to run now, you don't have time to --

MR. ARMSTRONG: Remember to meet her.

MR. JOEY: Yeah.

MR. ARMSTRONG: Nope. But if you'd call --

MR. JOEY: But you'd like to?

MR. ARMSTRONG: Oh, I'd like to very much. I think it could be mutually beneficial.

MR. JOEY: Okay. And you're going to go over everything with Flynn and --

MR. ARMSTRONG: Yep.

MR. JOEY: And I'll get back to you on that.

MR. ARMSTRONG: Yep. And I'm going to copy this stuff, send him off the package, and sort through it and see what the heck it really is all about.

MR. JOEY: And if he has any other ideas on how to use those things, let me know.

MR. ARMSTRONG: Okay.

MR. JOEY: Any other ideas on that?

MR. ARMSTRONG: You got two board members.

MR. JOEY: Right. And maybe we should actually set up some time for you and I to get together, or whoever, and if we're going to call one of these guys, we can do that, we've got more time, maybe.

MR. ARMSTRONG: Good. What I'd --

MR. JOEY: Get together sometime and do that.

MR. ARMSTRONG: See, I need to arrange, before we get together and decide to do it, I'd need to set up a time with them, more or less. I'll have to set up a three-way time.

MR. JOEY: Oh, it wouldn't be something we'd just do after you --

MR. ARMSTRONG: Yeah. Well, we could definitely just call up and they'd talk to us. But what if they're tape recording Lyman Spurlock at that time? I don't know that they'll want to break. You know what I mean?

MR. JOEY: Yeah.

MR. ARMSTRONG: It's best if we can give them a little noise. It's not critical either way. You know, if we said -- well, let's talk to these guys. Great. I think that they would want to talk in person because they're searching for understanding about it with current information. Obviously the information they have, unless they got ahold of some defectors (inaudible) is not very current.

You know, 1982, is really the most current information, I believe, of anyone they're talking to that I know of. Homer probably knew what was going on in ASI in 1982.

MR. JOEY: Okay. We got it. We got it.

MR. ARMSTRONG: We'll keep in touch.

MR. JOEY: See you. Thanks.

(End of tape.)

(Following is transcript of tape of November 9, 1984.)

MR. ARMSTRONG: Hi.

MR. JOEY: Hey, man. I like this place. They're throwing money at us.

MR. ARMSTRONG: Where had it come from?

MR. JOEY: A lot of traffic coming up?

MR. ARMSTRONG: Yeah. That's why I'm late.

MR. JOEY: Train still here?

MR. ARMSTRONG: Are we going to meet the young lady?

MR. JOEY: Yeah. We can still do that. Did you bring any drawings?

MR. ARMSTRONG: Which kinds of drawings? Oh, my drawings? Yeah. Yeah. I brought a bunch.

MR. JOEY: That's great. That's great.

MR. ARMSTRONG: So tell me what's going on.

MR. JOEY: Excitement. Excitement.

MR. ARMSTRONG: Is it really?

MR. JOEY: Yeah. Yeah. The general mood is like we're going and we're going fast and there's just exhuberance. You got something to take some notes? I want to give you some stuff.

MR. ARMSTRONG: Oh, shit. Hang on, I'll get --

MR. JOEY: Here, I'll give you something here.

MR. ARMSTRONG: You got a pen, as well?

MR. JOEY: Would you rather have your own number?

MR. ARMSTRONG: No, this is fine. Give me that paper, as well. Continuing things are accelerating. Boy, you know, I was photographed.

MR. JOEY: Yeah. Danny told me.

MR. ARMSTRONG: He had a blue car -- light blue, late model, boxy looking thing. I think, a white top. A license number DD-something. Three org guys.

MR. JOEY: Where'd it take place?

MR. ARMSTRONG: Oh, Vermont, going on to the highway.

MR. JOEY: Your not afraid of going by the complex or nothing, then, huh?

MR. ARMSTRONG: I'm not afraid of -- why?

MR. JOEY: I just sort of -- you know --

MR. ARMSTRONG: No, but I'd like you to find out who they were. I want to know the full license number because they got me right while I was turning. Normally I can get it, but I was right turning off of Vermont, and they were right beside me and, you know, these guys, there's three guys in the car -- one guy is kind of like a CESO, used to be a CESO. Do they have CESO, still?

MR. JOEY: Yeah.

MR. ARMSTRONG: What is it, the estates?

MR. JOEY: The estate guys, yeah.

MR. ARMSTRONG: He was sort of like an eastern guy, but he's probably a CMO guy, you know. I've seen Sandy -- is it Sandy Gomberg, one of the Gombergs who's a -- used to handle dishes in there. You know Randy?

MR. JOEY: No, I don't know him.

MR. ARMSTRONG: Well, he was a CMO flunkie when I was inside. So he spotted me on the street and then I saw him pass me onto this guy, and I think he's a CMO guy. He's about six one, six two, reddish hair, lightish hair; a little lighter, a little redder than yours, I recall. I know him if I see him. After then, you know, a couple of miles -- I don't know -- how far is the turnoff there? A couple of miles? A mile from the Organization? These assholes pull up alongside me and, you know, there's a blond guy, real, real blond hair --

MR. JOEY: Right.

MR. ARMSTRONG: -- driving. The guy beside him, I think, had dark hair and he had a funny little camera just clicking away. So, you know, I gave him something -- you know, something.

MR. JOEY: I understand. I understand.

MR. ARMSTRONG: I wanted to use -- I was

thinking, you know, the F;umm, you know, the shots they have of Flynn and Hoffman, they look so ominous. Anyway, but I want to get the suckers' names and I tried to get the whole license number. CID will run a make on the car. I want to get their names. They should be around the org. Somebody can just ask, "Oh, did you hear? Somebody just spotted Armstrong," or whatever they do. Get me names.

MR. JOEY: So what did they look like?

MR. ARMSTRONG: The car? It's a late model. Box-like car. Light-blue bottom, white top. License plate DD, and then I think there was perhaps a third D or another letter.

MR. JOEY: I'm sorry, light-blue bottom and what?

MR. ARMSTRONG: And a white top. My recollection, you know --

MR. JOEY: And license what? DD --

MR. ARMSTRONG: DD blank, you know, three numbers, whatever.

MR. JOEY: Okay.

MR. ARMSTRONG: It should be around the Organization, because it was all org staffers, you know. It looked like it, anyway. Maybe these guys can recruit some PIs that quick. Maybe they're surrounding and the place is cordoned off. But in any case, these guys, I'd like to get the names and the number to run a make on it simply because I happen to be a federal witness, and you don't fucking go intimidate guys like that. And so the Organization can be hit real hard. The CID wants to make them, and I don't want my life fucked around like that, so anyway -- so that's why I'd like it.

Go ahead.

MR. JOEY: Okay. You wanted data on some people.

MR. ARMSTRONG: Yeah.

MR. JOEY: Okay. DM --

MR. ARMSTRONG: Okay.

MR. JOEY: -- drives a red Datsun. It's a dark red Datsun. Last five months he's been at ASI. Before that he was at Gilman --

MR. ARMSTRONG: Yeah.

MR. JOEY: -- for about roughly eight months and he was doing picture stuff, sound stuff, you know. And this is interesting, about a month back he was in D.C. and word has it when he was there he was speaking to the IRS.

MR. ARMSTRONG: Yeah.

MR. JOEY: Then after that he was in Philadelphia, and he spoke at an event down in CW.

MR. ARMSTRONG: Okay. About a month ago?

MR. JOEY: D.C. a month ago, and Philly and Flag after that.

MR. ARMSTRONG: Okay.

MR. JOEY: Okay?

MR. ARMSTRONG: Yep.

MR. JOEY: Wendall eynolds and Steve Marlow, they went on the RPF almost a year ago and they're at Gilman's.

MR. ARMSTRONG: They are, still?

MR. JOEY: No, I don't know that. They were on the RPF at Gilman's. It's hard to trace guys on the RPF because sometimes they're just sort of, you know --

MR. ARMSTRONG: Or their personnel records? Haven't seen them. This is all just what people know.

MR. ARMSTRONG: Oh, okay. So --

MR. JOEY: I'm sure they have personnel records.

MR. ARMSTRONG: No one that we have any control of can look in the comppuuter records and personnel transfers. Are they located? Or do you know the staff members names, or no?

MR. JOEY: I don't have access to computers. We don't have access to computers.

MR. ARMSTRONG: Oh, you don't? Okay. That's good to know. I thought you had someone in there, but that's fine.

MR. JOEY: Well, I mean we can get, not on a regular basis but we can get snippets.

MR. ARMSTRONG: Right.

MR. JOEY: Okay. Also, I want to tell you on -- this is coming from the Committee -- they were real pleased with our exchanges.

MR. ARMSTRONG: Oh, good. Okay.

MR. JOEY: So they want me to give this information and, you know, I'll be talking stuff back and going over it with them.

MR. ARMSTRONG: Yeah.

MR. JOEY: Great. So LA FBI case --

MR. ARMSTRONG: Yeah.

MR. JOEY: The word has it is that the Church really wants to go to town on this thing. Have you heard? The Church claims they got some evidence of judge tampering --

MR. ARMSTRONG: Right.

MR. JOEY: -- by the FBI, and stuff like that. Well, now the latest thing is that they're real shocked because a couple of FBI agents go in and they stare at this judge -- the same one that they claim they got the judge tampering with, so they think this is a further thing even on top of it so they just --

MR. ARMSTRONG: They stare at the judge?

MR. JOEY: Supposedly. Word has it that FBI guys go in and stare at this judge, trying to intimidate him or something. Anyway --

MR. ARMSTRONG: That seems like it would be their tip. That sounds like Scientology horseshit, you know. All right, now, staring --

MR. JOEY: So you got that?

MR. ARMSTRONG: Yeah.

MR. JOEY: Great. Now the Homer issue, suit, they are fucking laughing about this.

MR. ARMSTRONG: They laugh?

MR. JOEY: Yeah. It's like a joke. Well, first of all it's not really on C of S lines.

MR. ARMSTRONG: Right.

MR. JOEY: But word -- I mean like, you know, it's sort of like ASI is handling it so we don't really know -- I mean like, you know, you hear the guys talking and like basically, the suit, and what they're saying is, it's crazy and wild stuff. The big thing is -- this is the thing, the inside thing -- these guys are joking about this thing that -- the big thing is that he's real upset because they're supposedly holding his daughter. Well, they're laughing. They come back and they're laughing. "Man, have you ever known Homer to care anything about his daughter?" you know. He didn't care about his daughter. He just left her. Da, da, da, da, da -- I mean, that's the tone of this, the joke.

MR. ARMSTRONG: So I've seen this sort of thing before, you know. It was like Tonya Burden, and I suppose Armstrong, and I suppose anyone who's come out of the woodwork, it was always that. That's a pretty standard thing. It was like they would have probably felt in the beginning about Flynn and the Tamimi thing. Kind of like it's a joke. They're going to handle it. "We know all about you assholes. We're going to get Flynn, we're going to get Homer."

MR. JOEY: Yeah. Well, it's slightly different here because I say that I have got lots of people who know that he didn't take care of his daughter and he wasn't concerned about her then; why is he concerned about her now? And there's no way they're holding her and -- anyway, that's -- that's information for you.

Also, they're talking about -- they're saying that Homer ripped off a and then when the suit actually gets served and go to town on it, and I mean they're saying, "We're going to get Homer," you know. It's not going to look good for him. He's going to be in trouble when the suit gets going. What I'm trying to say is that the ASI guys don't think this is any big deal.

MR. ARMSTRONG: Oh, they think it's a big deal. But this is the standard way they approach everything. They think initially nothing's a big deal. I think that's pretty standard.

MR. JOEY: Okay. Great.

MR. ARMSTRONG: My opinion, I would -- let me just think. When you talk about these people talking like that, who're we talking about?

MR. JOEY: I mean ASI guys come over and they just --

MR. ARMSTRONG: Who?

MR. JOEY: I don't know. I didn't hear. This comes from the Committee.

MR. ARMSTRONG: I see. It would be good to have some names. Sort of like I understand they have some --

MR. JOEY: Let me note that down. You want some names. See if we can get who's talking about the suit.

MR. ARMSTRONG: Right. When we're talking about these people, who are we talking about? Who are these people?

MR. JOEY: Who's talking about the Homer suit, in ASI.

MR. ARMSTRONG: Well, who's ASI? Who are these people? Give me an org Board. Tell me who the opposition is, who knows what? Where does Mark Yager fit in all this? You know, what is the actual line of control? Who's in charge? Because someone is.

All right. You know, the people who are talking about this suit, were they in a position to be dealing with the suit or were they being told something by someone else who was just hyping them? Or maybe it is a weak suit. I think that everything that has happened so far of a long-range effect has hurt the Organization. Oh, they win with the Band-Aid philosophy, but in the long run, I think, they're going to take a bath.

Anyhow, we'll push on.

MR. JOEY: So I'll see what I can get on that.

MR. ARMSTRONG: Yep.

MR. JOEY: Okay. Any news from Michael?

MR. ARMSTRONG: No.

MR. JOEY: Great. I got this. This is good.

MR. ARMSTRONG: By the way, I'll never admit that anything comes from Michael, including any complaints which I may have drafted.

MR. JOEY: Why is that?

MR. ARMSTRONG: Because that's how I've got to approach it.

MR. JOEY: Okay.

MR. ARMSTRONG: Did they understand all this?

MR. JOEY: I think so, yes.

MR. ARMSTRONG: Jesus Christ.

MR. JOEY: Oh, I just lost something. I'll get it.

We need a rock, I think. We need a rock to hold on to this.

Got it all. Got it all. Got it all.

MR. ARMSTRONG: When will we see the lady?

MR. JOEY: Oh, in a little bit. Let me finish this up here. I want to go over (Inaudible.) what you went over with Danny yesterday on those doc ideas. I saw Danny real briefly; he handed me this thing and briefly told me he had a little trouble yesterday and he said he went over some doc ideas.

MR. ARMSTRONG: The doc ideas were simply what we talked about. Let me ask you -- you guys write stuff. You're all writers to some degree. People can draft the stuff. It just seems like the guts of -- you know, there's three things right -- there's personnel and comm lines and money. That's about it. And organization's comm lines are of various kinds, and I think that you can use the fact, you know, realize what their many comm lines are and plug into them. That's all I was trying to convey. As far as anything specific, I've given you the one thing which I think is a fairly smart idea which is to use an issue as an assessment. It would happen everywhere. They could never tell, you know, if it was done right. It would be in all the baskets and they could never tell.

MR. JOEY: So what would happen? I mean --

MR. ARMSTRONG: Well, in that particular instance, if you had the organization divided up into, for lack of any other term, cells, and you divided your people up so that they're the -- they're the only one in the cell, and I contact various people and ask particular questions. I assume they're all in the intelligence game to some degree, so they're all actors. Right? I mean, it's that kind of a thing. And there's the other use to which issues are put. There's an absolute frontal attack. I mean, I got this issue, the one on me and the other five, and I think it's important, because what happens outside is that all of a sudden these people kind of rally together. So there's ways that stuff that's written can be used. The specifics of it, in a way, you guys would have to work out.

MR. JOEY: So I guess an issue's put together like an assessment, survey.

MR. ARMSTRONG: I tell you what, within the next twenty-four hours I'll give you an idea. I'll write something and we can just toss around how can it be used.

MR. JOEY: That would be great, that'd be great.

MR. ARMSTRONG: And once you've -- here's the way I potentially see it. Let's say that this woman did decide to back this thing and she figured that might as well do something with my life, might as well get off the great rich fence and grovel with the boys for a awhile, and what if she decided and she said, "Well, shit. I'm going to finance some of this."

Well, we could set up a press and we could produce issues and then we could set up a network and we could communication lines running outside the organization. And you could create a pool of information just as an immediate thing, we get ourselves -- you guys get yourselves an attorney and work out the exact legal things to be done.

Oh, by the way, I spoke to Al Lipkin last night after I was photographed. I went down and saw him because we had talked, and I had told him, "It looks like, just maybe, one or some of these guys are going to want to talk with you." And he was, you know, to some degree, elated, but they never say anything. I told him at that time, I said, "In my opinion, the organization at the top is potentially very fanatic and people could get hurt. If these people that I'm in touch with are brave enough to stick their neck on the line and say, "Enough of the bullshit, okay." So I said, "I'm not saying that this is going to happen. I'm not saying that there's going to be bloodshed, but I think that you guys ought to be aware enough that this is going down or potentially it is, so that you've got some things worked out in advance."

And he's smart enough. He already talks about safe houses and relocating and renaming people. But I said, "Well, I don't know what can be done." He keeps asking me, "What can be done?" I say, "I don't know." But I think as an initial thing, what makes sense to me is that the people who are going to put their names on that document --

MR. JOEY: The suit?

MR. ARMSTRONG: -- on the suit, see you in advance, because as soon as that happens, they become Federal witnesses and the organization's not going to fuck with them. Or if it does --

MR. JOEY: That's what Al said?

MR. ARMSTRONG: That's what I said. And he said, "That's the best protection that they've got initially." He said, "You know, beyond that, let's just keep in touch on a real close basis."

I called him last night after work because I had some more thoughts, and I called him again this morning, you know. I'm on the phone to the guy real tight, and I don't know, but they're the best the government's got to offer, you know, and if the government of the United States can't take on these little assholes down there, we're really in deep kaka.

MR. JOEY: Got it. Okay. Let's finish on the documents and then get back to Al Lipton. Where were we on that?

MR. ARMSTRONG: On the documents?

MR. JOEY: So I gave you --

MR. ARMSTRONG: You gave me a whole bunch.

MR. JOEY: A whole bunch. And you looked at the type styles and that kind of stuff. Right?

MR. ARMSTRONG: Yeah.

MR. JOEY: You know how to --

MR. ARMSTRONG: You're not wired, are you?

MR. JOEY: No.

MR. ARMSTRONG: Okay. What are our conversations, should it come down to it?

MR. JOEY: What do you mean?

MR. ARMSTRONG: What do we talk about? You're deposed. You walk out there and there's a PI hands you a paper saying you're deposed, Jack, and not only that, you're out of the organization. And what do you say in deposition? Well, Armstrong and I talked about this and he had a whole bunch of ideas about how to infiltrate the communication lines and spread turmoil and disaster, you know. What are we doing here? That's my question, before I tell you my ideas on documents.

MR. JOEY: Well, what I got is basically loyalists gotta, we gotta move. We've got the suit coming up and I guess we need other lines to get stuff going.

MR. ARMSTRONG: Yeah, you do. And I think people should talk to Lipkin, and I think we should make it as soon as possible to do it. And I also think that -- I've got a request into a couple of attorneys now who unfortunately can't represent you guys, but I said, "Well, what if I can get twenty thousand bucks up front?" And they said they should have no idea coming up with a lawyer. They're trying to find, at this time, what lawyer makes sense. Now, maybe you guys have got one. Seems like you haven't.

As an important aside, Dave Jordan called up Mike Flynn today. Remember, Dave Jordan called Danny awhile back?

MR. JOEY: Yeah.

MR. ARMSTRONG: Dave Jordan spoke to Mike, mentioned the the name Dan Sherman and said that -- at least Mike got, that Jordan thought Dan was a double agent. Now, maybe Jordan doesn't know about -- doesn't know enough about what is going on. Maybe he's a triple agent, you know what I mean? Who knows what, but in any case, it seems like if Jordan is talking about Dan, perhaps something is going on. You know what I mean? You guys just should know that is going on. Now, maybe Jordan's in your pocket; I don't know, I have no idea. But I wanted to pass that on.

MR. JOEY: Jordan's not a loyalist.

MR. ARMSTRONG: He's not?

MR. JOEY: No. I don't know everybody but --

MR. ARMSTRONG: Okay. So far as the doc -- let me just say, you and I get together, we get together because I have a goal of global settlement. You have felt that the turmoil and the abuses and so on have gone on too long; hence we get together and discuss things. We have not discussed anything about a destruction of the tech or that Scientology is bad or anything like that. Are we agreed?

MR. JOEY: Yeah.

MR. ARMSTRONG: There's a radio. That's a state car.

So it seems to my that the use of the communication lines -- I don't know, maybe you guys are using them, but it seems to me that you don't have a way of printing anything to get an issue on the lines, used for anything; right? I'm saying that I can do it. I can type those goddamn things and duplicate them and make them look exactly the same. You can't. You would not be able to tell the difference. You know, maybe under a microscope you can tell the type of faces, you know, this ones got a little crack on the T and this one doesn't. You'd be able to tell that and they will know. But that happens to be -- that only happens to be one little piece of it. You put out another issue the next day for a totally different purpose. You guys are going to need to put out issues when this thing happens, you got to inform the crew. You should be preparing right now, in my opinion, goddamn affidavits that I can be -- that we can put into a computer and have run off and ready to go. I can write -- I write legal shit; that's why I want to know your best legal mind. I'd like to talk to him. Maybe you're it; I don't know.

MR. JOEY: I'm not it, no.

MR. ARMSTRONG: Okay. But I'd like to, so we're really in sync on this thing. Same as the overall best mind. I have no compulsion to -- you know, I'll talk to them through -- around the corner. I don't have to see anybody. But I really want to know that we are in sync and that we're using all the resources that we can. I don't know what you've got. I'm telling you basically what I've got. One thing I have got is mobility.

MR. JOEY: We can put the CSW together. We can handle distribution.

MR. ARMSTRONG: That's exactly the sort -- the CSW is the greatest weapon you guys got. You know, the CSW about the situation with the PIs given that someone is in a position that they would be doing such a thing. I think, you know, how about if -- I've got a letter that says that Eugene Ingram works for L. Ron Hubbard, you know. Okay. Okay. Then you say, well, let's say you guys have the information somewhere that Bracket Dennison of the US Attorneys office felt that this whole thing was a setup and then you say, "Well, we can't have that problem. Here's this letter out there saying that he works for Hubbard. We can't endanger the source. We have to act." So thereof, here's my proposal. And just the fact of having that goddamn proposal of some guy standing up and saying, "I've got to defend source," you've got such incriminating information on the CSW. You follow? Even if they responded at all, they're acknowledging that this is -- that's true.

MR. JOEY: So we put a letter together saying that.

MR. ARMSTRONG: I'm saying a CSW, and you keep your copy of the CSW. They're going to come around hunting. "Where the fuck is it? Ah shit, got rid of it all." Except you've made it off the property and you've got it somewhere. Type it off the property and bring it in. Never there's no problem bringing stuff in. Right? You could bring stuff in and maybe you can't sit at your desk and type it; I don't know. I don't know the demographics and the geographics and anything else in the place, but it seems to me that it's a much more high-security deal than it was. Am I right?

MR. JOEY: Yeah, a little difficult. Just in getting things typed -- typing, your sitting typing and typing things out --

MR. ARMSTRONG: Exactly.

MR. JOEY: -- and someone walks in, "What's happening here?" What are you going to say?

MR. ARMSTRONG: But just maybe that sort of stuff can be done: issues could be created, stuff can go in. But I mean I'm not really saying create incrimination evidence of which there are no facts, you know, but just to write about the speculation. I mean, did you know that, that Ingram was retained by Lenske, Heller and Magnesson on behalf of Hubbard?

MR. JOEY: I know that the attorneys hire and pay and run the PIs.

MR. ARMSTRONG: Right. And isn't that off policy?

MR. JOEY: You gave me this thing here, yeah.

MR. ARMSTRONG: Yeah, that's a goddamned policy quote.

MR. JOEY: You see, but that's the whole thing where, you know, the PIs are run by the attorneys, paid for, so the attorneys are running them, you know, so how can you put out an issue saying, you know, fire the PIs, because it's the attorneys doing it -- the attorneys aren't going to pay any attention to the issue, you know what I mean? That --

MR. ARMSTRONG: I know. I know. But you've got to simply say, "Oh, fuck." This is off policy now. We've got to get on source, and source, that's the problem. You know you can. What are they going to do? Oh, no, you're off source for saying that you're on source -- I don't know -- I mean, it could be to that degree that they have such utter disregard for policy now that anyone who says this is off policy is just laughed at. Maybe that's the way it is. Policy-fuck. "We're the policy, asshole." Maybe they're that arrogant that they don't give a fiddler's fuck about source and all his tech, I don't know. I don't know what the situation is inside, you see.

You guys obviously have your hands on that pulse a lot closer than I do. I only see that potentially there's a tremendous use to which that -- which the communication lines could be put.

Anyway, let's continue on. I don't know if I've left you with -- I tell you -- within a day, I'll draft something.

MR. JOEY: See if you can draft something and we'll go over it again.

MR. ARMSTRONG: Good. All right. But there is the one thing which I think in advance of -- you know, within a day, just divide up the group so -- the organization, so let's say you've got thirty-five, let's say that in the particular organization that they're -- that they could possibly contact are five hundred staff. I don't know how many staff there are. A thousand? How many staff?

MR. JOEY: More than a thousand.

MR. ARMSTRONG: So they divide it up and you say, "Well, I can get this guy, this guy, this guy, and this guy, and it seems logical -- I'm working in LA Org, so therefore I'm going to go to LA Org staff, I'm not going to approach ASI people. Whereas, you don't want to anyway, because obviously they're not the ones you want to survey. But you want to survey at some levels down below in the organization. And that is simply a means of surveying without anyone -- in other words, the issue is the source of it and they can never tell where the issue came from.

MR. JOEY: Got to go with the PI thing, too?

MR. ARMSTRONG: Well, the PI is another -- yeah, I think that something should be done so that they can capitalize on getting stuff, number one, into writing; and number two, possibly unstablizing the whole PI/attorney apparatus. I passed onto Lipkin yesterday to go after Peterson, should go after him with fucking tooth and nails, because Peterson's probably been paid millions of dollars.

Oh, listen, let me give you names. Ah shit, I don't know if I brought them. Can you guys get amounts of money to PIs?

MR. JOEY: That stuff --

MR. ARMSTRONG: Can you get amounts of money to Peterson?

MR. JOEY: That stuff is in either in the attorney's offices or in the legal area. I may have access to that.

MR. ARMSTRONG: So you don't have anyone who's in legal, per se, or high enough in legal that can?

MR. JOEY: Not real high up. I mean, I don't know. It's an area we're going to have to look at.

MR. ARMSTRONG: Well, how about finance records? We're talking about how much was paid to Peterson. Well, Peterson's virtually a sole practitioner, so if ten million dollars was paid to him, he didn't provide that much service in a year; he's bleeding them. Following me?

MR. JOEY: Yeah.

MR. ARMSTRONG: So what that means is a lot of people are being paid by him. And then you can say, "Well, shit." And we can isolate that two million was paid to Peterson and eight million paid to PIs. And if eight million was paid to PIs, then you've got the fucking hotest lawsuit imaginable. And check other names, you know, what's his name, Beltrante, this guy down in Florida. Mueller. I got a bunch of names from Mike and they're in the car.

But in any case, you guys -- I assume that you guys know the names of the PIs. Check the goddamn finance records if you have access. This is the sort of stiff which you need in order to put together the -- the coup de gras.

MR. JOEY: Right. That's the sort of stuff we need for our suit.

MR. ARMSTRONG: But not only for your suit, but to give to the various people that are involved so that they can -- so that they can keep an eye out on -- what the fuck is going down. You know. So that Bracket Dennison, who is investigating Ingram, knows. If we can get anything on Ingram, anything on Peterson, anything on finance records, anything on names of other PIs and expend -- and disbursements to them, or anything on operation "X", whatever that is, you know, what's going down, it's all vital.

Again, here's the thing. I get the ideas from you, from talking to you and from talking to Danny, in a sense you people have felt thoroughly confident that over the next couple of years they could -- through a process of attrition, take over.

MR. JOEY: Yeah, and you know --

MR. ARMSTRONG: It just seems --

MR. JOEY: The guys at the top that are fighting, we don't want to fight. We just want to run the organization peacefully.

MR. ARMSTRONG: Right. But I don't know if that's realistic or not. In other words, I don't know where your people are placed. Maybe they have some rule where no one gets above this echelon, if they haven't come through the CMO ranks, I don't know. If you've got people in the CMO. Maybe it's the one place that they just get a mind and that's it. The thing's fucked. You've got a fucked mind and they're unbreakable. I don't know. That's for you guys to assess.

Sure would fucking like to know. And that's why I'd like to speak to your best legal mind and your best mind. I mean, whoever -- if you're the king pin and I'm talking to him, then --

MR. JOEY: I'm not. I'm not on the committee.

MR. ARMSTRONG: Okay. I'd like to speak to someone who knows everything, otherwise --

MR. JOEY: I will definitely pass that along.

MR. ARMSTRONG: Good. So you've got it anyway, there. Tell me more. Did you have more on anyone else? Doug Hay?

MR. JOEY: Don't have Doug Hay yet.

MR. ARMSTRONG: Okay. Anything else?

MR. JOEY: Yeah. The committee was interested in -- you mentioned to me a long time ago, you saw, like, the -- that you were sort of like "the Meisner" of the Toronto raid; right?

MR. ARMSTRONG: Yeah.

MR. JOEY: We file this suit, so whoever files it will sort of be like the Meisner here, again; is that right?

MR. ARMSTRONG: Well, this is a different thing. Mike was pretty adamant last night. Did you get the message from Dan about Mike's concern?

MR. JOEY: Yeah.

MR. ARMSTRONG: Right. The difference is this. Meisner took off; right?

MR. JOEY: Yeah.

MR. ARMSTRONG: I took off, Franks took off, Laurel took off, first Nelson took off, Mayo took off. Okay? Every one of these people took off. We are all Meisners. You guys are not, because you have it within your power to stay there. You have it within your power to simply say, "We are not moving," and watch what happens if you guys said that. If you guys get pushed around, Mike's recommendation was, don't leave, stay there. Say, "We are the organization." And also if you want to, from here on out, set up a communication line with me so that if I'm not called every twenty-four hours, then I know to get the Feds and get down on the fucking doorstep.

MR. JOEY: I don't see any problem.

MR. ARMSTRONG: You don't see anything like that?

MR. JOEY: Not right now, no, not at all.

MR. ARMSTRONG: Well, he sees a great deal of risk. What if they do put a tap on our line? What if they do know something is going down? But he says ultimately it's no -- see, I say, I am more concerned about those guys than I am about my own skin because I'm here, in part at least, because I don't give a fuck any more. You know. But I do kind of. I am pissed off with myself if I do something really dense and get somebody hurt, you know. But I also think, "Well, fuck, everyone's made the choice they've made, everyone's made the alignment they've made, everyone's going ahead to a great degree with their head out of the sand on this thing, and I think that hopefully no one will get hurt." I do see that the organization has accelerated the level of fanaticism with their pledges and with that kind of -- that's pretty scary literature. It's fucking -- when you get these guys pledged without thought for personal comfort or safety, for fuck's sake, they're saying, "I'm going to go and I'm taking you with me, Jack." I mean that was a fanatic document. I gave that to the Feds already and I'm giving them the other --

MR. JOEY: What did they say? They thought it was fanatic, too?

MR. ARMSTRONG: Yeah, they thought it was fanatic. And -- but they can't do anything, but they are aware. They are aware. I drop the name Jonestown and they say, "Yeah, we don't want that." They don't say, "Oh, no, it will never happen." You know what I mean? It takes different forms. These guys are too sophisticated to try suicide as the resolution to their problems, I think, but they're not too sophisticated to try and take out some people.

That's what I think, anyway. All right.

MR. JOEY: Did you have anything else for me?

MR. ARMSTRONG: No, I think you've got it. The only other thing was, I've spoken to Al Lipkin. He wants to meet as soon as possible. You guys know my note from yesterday. That's what Mike said. The next thing is, I'm trying to --

MR. JOEY: Which note?

MR. ARMSTRONG: The two notes there. One has a bunch of questions. These are my -- what is it you call it? -- a shopping list.

MR. JOEY: Right. Your questions are on the back.

MR. ARMSTRONG: My questions are at the back, yeah.

MR. JOEY: How much pay to Ingram? By whom? What corps and individuals? When each payment made? How much for all other PIs prior to DM takeover? And following the specifications on this stuff.

MR. ARMSTRONG: Right.

MR. JOEY: You know, once again, this is in attorney's offices and -- maybe they can find out how much is paid to the attorneys.

MR. ARMSTRONG: That's how -- that's how I analyze it. The money flow is traceable. If they tell me -- if they can say this much is -- I tell you what, you should find out all payments made that went to attorneys, because I have people who can trace those bank accounts and see where the disbursements went from those accounts. You following me? And whether or not there is the amount of money in the various client trust accounts that there fucking well should be. In other words, are those deposits being made into his client trust account? Because every attorney has to have a client trust account. And the money has to go into that account. And Peterson did not earn ten million dollars in fees in the last couple of years. No attorney is worth that. Just nobody makes ten thousand bucks -- ten million bucks a year. You don't make that from a client. Some superstar does, but not a guy who's lost them the Armstrong case and lost them case after case after case and has them driven in deeper than before.

What is in his hand there? I don't know if it was a camera or not. Anyway --

MR. JOEY: Fine. All right. So your analysis from a philosohical viewpoint of transition after DM took over --

MR. ARMSTRONG: What happened? What happened at that point? What was it like before and what happened then? And the reason for that is, the guy has violated policy. He came in and violated policy. And then find what the violations were, find the basic philosophical differences between what Scientology purported to be and what the reality was. And that's the sort of material which we'll use to put into the goddamned affidavits.

And you guys have to insist there is a differentiation between these activities and the religion of Scientology. No longer can the religion of Scientology hide behind PI activities being protected by the fucking freedom of religion. That's nuts. And that'll destroy your religion. That's what you have to convey. You see, that's your viewpoint.

Just the fact that you file a lawsuit, even without, as Mike explained in that communications, right, he answered those questions pretty well, I think. Even without having that type of information, you can cause a lawsuit, cause yourself to not be driven out of those buildings. You're it. They can't fire you. They can't get rid of you. They can't do it. And because you are saying you're it, and you're saying, "I'm it," and the fact is, they're not it. They've got nothing on you, you've got a lot on them. Have you guys ever misspent money like that? Fuck, no. You don't have any. You guys are being paid a pauper's wage while those assholes are ripping it off. That's the gist of the whole thing. Policies are in violation of. Just think of anything, anything you can think of.

MR. JOEY: Yeah, I got this one here, using our professionals and not outside agencies. See BPL 3574.

MR. ARMSTRONG: Right. Now, for example, PC folders, what does anyone know about PC folders? Are they moved around? Someone -- was it you who called me a long time ago about PC folders?

MR. JOEY: Oh, yeah, ages ago.

MR. ARMSTRONG: You called me -- Okay. Somebody knew something about PC folders. I wish I had some time, then, because it would have been a very interesting event, whatever you had in mind. Unfortunately I had to take off to London right away and I couldn't delay. I wondered whether or not, in fact, someone was trying to get me to not go to London with the great carrot of the PC folders. But anyway, you know what I want.

MR. JOEY: We've been over that one. Anyhow, people come to sign various agreements, da, da, da. Okay.

Man important thing, you know, as Mike said, for example, the undated ersignations of these Boards members. What does the Board -- you've got people who are on the Board. What do they know about what's going on? They're the board members. They're the secular in charges; right? Well, they say the Board is not ecclesiastic. So are they trying to say that the PIs are ecclesiastic activities?

MR. JOEY: I don't know. I think I got the rest.

MR. ARMSTRONG: Hold on. Good. Now, tell me about what else you had to tell me about. Or should we go?

MR. JOEY: Why don't we -- what time do you have to leave?

MR. ARMSTRONG: I don't have to leave -- well, I'm going to have to call my wife at some point if I'm not able to get back. I don't know how far you're driving or if you have this thing set up or anything about it.

MR. JOEY: Yeah, we can go see the girl for a awhile, so why don't we do that.

MR. ARMSTRONG: Yeah, that's a good idea. And then?

MR. JOEY: That's it.

MR. ARMSTRONG: That's a good plan.

MR. JOEY: She's at the Sheraton Grand, downtown, so we'll just zip on down there.

MR. ARMSTRONG: Do you trust her?

MR. JOEY: Yeah. I don't think we should get into real heavy stuff with her. She wants to meet you and to say like -- you know --

MR. ARMSTRONG: Do you have a room number for her?

MR. JOEY: Yeah.

MR. ARMSTRONG: Can you give it to me? Because I'll take my own car.

MR. JOEY: Yeah. Center One.

MR. ARMSTRONG: And where is this?

MR. JOEY: Just follow me.

MR. ARMSTRONG: It's right downtown on what? Fifth, sixth? In that area?

MR. JOEY: It's right next to the Bonaventure.

MR. ARMSTRONG: Okay.

MR. JOEY: So I'll just get on the freeway.

MR. ARMSTRONG: I have to take a leak. Where can I go? Probably right over there.

MR. JOEY: Yeah. I'll wait for you.

(End of transcription of video tapes.)

THE COURT: Before we start setting up housekeeping again, I think I'll let you go a little early to lunch. There has been no morning recess. We will resume at 1:30. Please remember my cautionary instructions. You be ready to go right at 1:30.

(Jury was excused. Following proceedings held out of the presence of the jury.)

THE COURT: Yes, there's a problem, you wanted to take up with me.

MR. MCMURRY: We move to strike.

THE COURT: It's denied.

I thought you had something you wanted to ask me about documents.

I don't want to cause any more problems than I already have.

MR. WADE: We would like to have the two boxes of documents, Your Honor.

THE COURT: I thought that was mentioned earlier on this morning.

MR. COOLEY: The Court had me bring them in for the Court's examination.

MR. McMURRY: The only privilege claim is for three boxes.

THE COURT: Three boxes are privileged.

MR. COOLEY: All right. Two boxes that aren't privileged -- Let me consult with someone, because I haven't gone over them.

THE COURT: You know then how you can spend your lunch hour.

(Mr. Cooley conferred with Mr. Peterson.)

MR. COOLEY: They may examine those boxes, and I'll have somebody stay with them -- those two boxes.

THE COURT: The three that are marked will be for my scrutiny at some other time. The two that are not, you may start looking.

MR. WADE: Your Honor, there's one other matter which probably is already taken care of, but I noticed in the videotapes there are certain documents that are handed from Joey to Mr. Armstrong, and maybe one or two back. I take it copies of those documents would be in the files we are talking about?

MR. COOLEY: We went all over that. The handwriting stuff, those I didn't have to produce, that Mr. Armstrong gave to Joey. I have that.

THE COURT: I don't think that's what he is talking about. I think he is talking about stuff that went from Joey to Armstrong.

MR. WADE: Yes.

MR. COOLEY: I don't know whether that's in there or whether it isn't.

THE COURT: Where is it?

MR. COOLEY: I don't have it. Mr. Armstrong is the one that got it. I don't have it. I have what he gave to us. He has what we gave to him.

MR. WADE: Your Honor, some of the IHELP documents would have been documents -- in fact, I noticed that the one that had been shredded, the one that they talked about that had been shredded, I didn't receive that document. Joey took that back and didn't give it to him.

MR. COOLEY: I don't have it.

THE COURT: Where is it, Mr. Peterson?

MR. PETERSON: Well, Your Honor, it was a document of no consequence; it was not be kept. It was shredded.

THE COURT: What do you mean "of no consequence"?

MR. PETERSON: I mean it was of no consequence to the Organization in their daily functioning. It may have been a part of this taping thing, but the Church did not take part in this taping; it was done by an attorney, I believe, in Toronto and a private investigator.

THE COURT: I know about how it was done up in Toronto by an attorney that hired a private investigator who did it in Los Angeles.

MR. WADE: May we have the name of this attorney in Toronto, Your Honor?

THE COURT: Who's the attorney in Toronto?

MR. PETERSON: His name is Clay Ruby.

MR. WADE: In addition, Your Honor, it seems at this time, now since the documents have been shown, the documents Mr. Armstrong prepared, have been shown on the tape, it would be time we should be allowed to receive those documents to review them.

THE COURT: Mr. Armstrong should know what he wrote, Mr. Wade. That much he should know.

MR. WADE: Well, after two years it's rather difficult.

THE COURT: Well, I have a feeling he's going to have his memory refreshed shortly.

We will recess until 1:30.

(Court recessed at 11:46 p.m.
Reconvened at 1:39 p.m.)

THE COURT: Ready to proceed?

MR. COOLEY: Yes, sir.

MR. WADE: Yes, Your Honor.

THE COURT: Get the jury.

Mr. Armstrong, you are still under oath, sir.

(Mr. Armstrong resumed the witness stand.)

THE COURT: I take it you have not completed your inspection?

MR. McMURRY: Yes, we have, Your Honor.

THE COURT: Anything I should know about, or you want to raise at the appropriate time?

MR. McMURRY: We will be offering the exhibits we have premarked just for identification, a little bit later in the case.

THE COURT: There are matters I have to look at; is that correct?

MR. McMURRY: I don't think so. There's no claim for privilege. At the time we identify and submit them for admission --

THE COURT: Are they some of the matters you have been looking for?

MR. McMURRY: No.

THE COURT: We will cross the bridge when we come to it.

MR. McMURRY: Okay.

(Following proceedings held in the presence of the jury.)

THE COURT: Mr. Cooley.

CONTINUED CROSS-EXAMINATION

BY MR. COOLEY:

Q. There were several references, on the tape we just played, to "Dan". Is that Dan Sherman you identified for us the last time you were on the witness stand?

A. Yes, it is.

Q. And is -- does he live in Los Angeles?

A. Yes. He has at least up until now.

Q. Did you deliver any of your ideas in the form of documentation or handwritten proposals to Dan?

A. Yes, I did.

Q. Were those for transmission to Joey?

A. Yes, they were. Those that were for Joey were for Joey.

Q. I'm sorry?

A. Those that were for Joey were for Joey.

Q. Did you learn at some later time, by seeing the documents in Joey's possession, they had in fact been delivered by Dan?

A. You would have to -- I can't specify exactly which ones they were, but I do believe that that's the case, at least for some of them.

Q. Now, there was a Mike that you referred to. The last name was what?

A. There were probably two Mikes referred to.

Q. I'm not talking about Flynn. We will talk about him.

A. Mike Meisner.

Q. What about the Mike that you referred to last time, somebody you met with, also at Griffith Park?

A. Mike Rinder.

Q. Did you give him any papers?

A. I do not recall giving him any.

Q. To whom did you originally deliver the draft complaint that you and Joey discussed on that tape?

A. My recollection is, Dan Sherman.

Q. Did Joey have that complaint with him when he met with you on either the 7th or 9th of November?

A. I do not -- if he had one, I don't recall which one it was. There were two complaints and I do not recall which one. He would know.

Q. That complaint was drafted by Michael Flynn in Boston; was it not?

A. Yes, it was, at my request.

Q. And as I understand your testimony, it was originally drafted two years prior to the -- to 1984?

A. One of them was drafted two years prior, something like that. I don't have a date on it, but it was a considerable time before. I had had it in my possession for a while and I don't recall again how long, but it was sometime definitely before I gave it to these people.

Q. Did the complaint, as drafted, have a reference to a contemplated action to be taken in Toronto by the Canadian government?

A. The second one did.

Q. In fact, it had an allegation in it that contemplated that in October, on a date that nobody could be certain of, left it blank, that there was going -- there was an indictment returned against certain individuals of the Church, correct?

A. There was a clause like that. Again, you would have to understand that this was a -- an idea only. It was obvious that these people were planning to get their own attorney and this was just simply an idea which Mike had done at -- Mike Flynn, that is, at my request. Any allegation or any statement in it -- and a lot of statements in it I got from the people themselves -- would, of course, prior to filing the complaint, have to be substantiated. So whatever draft of the complaint they got was definitely not set in granite.

Q. I'm talking about the specific allegation that anticipated an indictment being returned in Toronto. Are you familiar with that complaint?

A. Yes, I am.

Q. Are you familiar with the fact no such indictment was ever returned?

A. I don't know that. I understand that there was an indictment, but I don't have the specifics on it. I was not in communication with the Canadians after a certain point. There was a virtual blackout from there, and I do not know the current status. Around -- my recollection is December 18, approximately, there were a number of charges -- and I don't recall the number, but seventeen rings a bell -- charges, or individuals charged in Toronto. But I don't know subsequently what happened.

Q. You were talking to Joey about that indictment coming down momentarily, were you not?

A. I said whatever I said. Again, there was a point in which it was presumed this was going to happen. I was in touch with the Ontario Provincial Police because there were some of us who had given our testimony to the Ontario Provincial Police and we were very concerned for our safety in the event of an indictment coming down. So they stayed in touch with us, and we were considered their witnesses and it was for that reason that we did stay in touch so there -- to some degree at least guarantee our safety in the event that the indictment came down and the clique at the top of the Organization attacked us.

Q. Did you hear yourself tell Joey on that tape you weren't afraid of anyone; they were the ones that had to go into hiding, not you? That you could move around freely and you had no concern, and that gave you an edge? Did you hear that?

A. I can probably explain a great deal about -- about that, and the same situation exists today. I am visible and I did make a conscious decision to remain visible and not hide from these people. There was a period of time in which I went through incredible terror, and then there was a period of time in which I really didn't care anymore, and there was a period of time, in fact, when I rather hoped they would take me out of the game because I just didn't care anymore. So I suppose, in a sense, I said a lot of things to Joey, and I said a lot of things to Joey in other meetings that the Organization has not been kind enough to provide us videos or transcripts for.

The whole thing in context would probably show the fact that I do vaccilate between absolute terror and absolute reckless abandon. And that's sort of the way it is. Some days I hope to die and some days I think I might as well go on living.

Q. You say there are some more meetings that things were taped that would show that you are, in those tapes, terrorized and afraid for your life, as you have testified before this jury?

A. It probably shows something like that. It would also show a broader statement. When I talked to this woman, for example; when I talked to the attorney at their request, for example; when I was not prodded and led on with questions from my friend, pal Judas, that would give them a more accurate rendition. I think actually the videos, upon looking at them, also show that there's no doubt the whole thing was a setup. And there's also no doubt that whatever I said the other day about my state of mind and my bias is corroborated by those videos.

They have tried make the allegation that I sought to benefit by orchestrating a global settlement. In fact, global settlement is their term, and they have brought it up a number of times, the Organization. And they have led on people in my situation who are litigants against the Organization, who are witnesses against the Organization, into considering that maybe the Organization would have a philosophic shift and be willing to sit down at a conference table and talk. It's been so much hype.

MR. COOLEY: Your Honor, I'm fully prepared for the witness to explain, if it's responsive to a question. I merely asked him if he was of the view there were additional tapes that would show how terrorized he was.

THE COURT: I think he said he didn't. And I think --

MR. COOLEY: If Your Honor feels that this is explanatory, I'll sit and listen as long as it takes.

THE COURT: It's not as long as I feel it's explanatory, it's as long as the witness feels it's necessary to explain.

THE WITNESS: Your Honor, I think that there's -- there's a debrief by my former wife, who was at that time working for ASI, which has now been admitted into evidence. I think that will show in March of 1984, when this Operation -- if not --

MR. COOLEY: Your Honor, it has not been admitted into evidence. It has not been offered into evidence.

THE WITNESS: I'm sorry. It was identified by Mr. Gutfeld the other day. I stand corrected.

In any case, in March of 1984, my former wife was working to ASI, Author Services Incorporated, and she invited me to Griffith Park. It seems to be a place that they use for their Operations, and although her debrief itself serving -- it at least shows my state of mind and the terror I was in, and it also shows where the idea originated for this whole Operation, beginning with the offer of my PC folders, beginning with the idea that they could get someone close to me by offering to help. They played both ways on what Hubbard called the "help button" -- offer help, get me to help. And they could hook me in by getting me to think I was helping. That's what my friend, pal Judas, did.

And the terror is there, Mr. Cooley.

MR. WADE: Your Honor, even though it's highly unusual, since the exhibit has already been mentioned, we would offer Plaintiff's Exhibit No. 254 so Mr. Armstrong could have it for the benefit of explaining the question.

MR. COOLEY: I object to redirect being done during the midst of my cross, Your Honor.

THE COURT: Sustained.

BY MR. COOLEY: (Continuing)

Q. Mr. Armstrong, do you recall last week, before the tapes were played or we had any discussion that there were tapes, I asked you a number of questions? Do you remember those questions?

A. I don't remember them, but you probably have them written down, so go ahead.

Q. Do you remember me asking you whether you ever suggested --

MR. WADE: Objection, Your Honor. Those were the tapes offered for impeachment; these tapes are the allegedly impeaching evidence. He was asked questions. The tapes have been shown. You do not attempt -- you cannot allow to go through an attempt to impeach twice, Your Honor.

THE COURT: Well, Mr. Wade, that isn't how I understood it. Did I not understand we were going into a area of questioning that you asked, and that do not refer to tapes?

MR.COOLEY: I'm not going to ask him about any tapes. I'm just going to ask him some questions, that's all.

THE COURT: That's normal cross-examination, Mr. Wade. It's not tape cross-examination. Those came in for a limited purpose. The inquiry as to those tapes is for a limited purpose.

BY MR. COOLEY: (Continuing)

Q. Have you ever suggested to anyone that they commit perjury in depositions taken in Scientology cases, sir?

A. No.

Q. Have you ever sat down with anyone to determine in advance what your story would be if your deposition was taken in a Scientology case?

A. Mr. Cooley, you heard on the video, as well as I did, what I said, and that I wanted it very clear why I was there. And you can construe it however you want, but that's why Q. What was why you were there?

A. Exactly what I said on the video.

Q. Do you want to invite my attention to anything specific on the videos that you were referring to now?

A. I think I went over at great length where I was coming from and what I hoped to achieve. When I talked about global settlement, I was talking about ending the war, ending the madness, ending the reign of terror. These people came to me and said they were terrorized.

Q. You weren't talking about settling Michael Flynn's cases at all?

A. Mr. Cooley, I think that I'm hooked into this thing and I can't get out. Do you think I can get out?

Q. I think you can do anything you will do, sir. You're a free agent. I want to know whether you were referring to Michael Flynn and settling Michael Flynn's cases when you were talking about global settlement.

A. I was talking about settling all the Scientology cases. I'm hooked in. Do you think I can walk off this stand right now? I betcha I can't. I can't. I'm hooked in. I can't quit until you quit.

Q. Only until I'm through cross-examining you. After that, you can do anything you want.

A. Can I? It's the same situation. I'm hooked in.

Q. My question is --

A. I could walk off this stand right now if you turned around and said to the plaintiff -- or you said to the judge, "Your Honor, we have a settlement proposal that we would like to take up with the plaintiff." Judge would say, "You can step down now, Mr. Armstrong."

Q. I don't know what you're talking about.

A. You know what I am talking about.

Q. Please try to confine yourself to my questions. My question is: did global settlement refer to the settlement of Michael Flynn's cases, including your own, sir? That's all I'm asking you. Can you answer that?

A. It referred to a philosophic shift that was necessary in the Organization. They would have to sit down at a conference table and settle it. Do you want to know what I wanted out it? Do you want to know if I am monetarily biased? I wanted zero, a goose egg. I told them that. All I want is to settle these damned cases.

Q. You have a 60-million-dollar claim pending now, sir?

A. Right.

Q. Do you intend on pursuing that claim or not?

A. You bet.

MR. WADE: Objection, Your Honor, this is irrelevant.

THE COURT: It is sustained.

MR. COOLEY: The witness raised it, Your Honor.

THE COURT: Yes. And unless I sustain an objection now, we'll never hear the end of it.

MR. COOLEY: Okay.

BY MR. COOLEY: (Continuing)

Q. Were you, between your meetings with Joey, consulting with Michael Flynn to obtain his views on the matters, as they developed, and reporting back these views to Joey?

A. I consulted with Michael Flynn on a regular basis. Mike Flynn does not always know -- he did not know the names of any of the people. He never met any of the people. I never even gave him a name ever. He knew I was involved with these people and frankly, he warned me. I said, "You know, I've got to trust these guys. I'll go ahead." Mike Flynn was not involved other than my requests for information occasionally, which you probably have and I'm about to see.

Q. When you were telling Joey that Mike would have a lot of questions and you would have a lot of questions after you went over the documents, did that indicate that you were checking with Michael Flynn on a regular basis as to that very meeting, and meetings that you were having with Joey?

A. I probably checked Michael Flynn regarding the documents. I definitely sent the originals to CID, Criminal Investigation Division of the IRS. Joey knew they were going there, he knew they were going to Mike. I don't know if I ever talked to Mike again about them. Obviously it was just another part of the setup. And who knows? Maybe they were phony documents.

Q. Did you send him copies?

A. I sent -- I definitely sent the original to CID. I don't recall if I sent them to Mike or not. If I did, they must have been copies.

Q. CID, that's the Internal Revenue Service?

A. Criminal Investigation Division of the IRS.

Q. You referred to yourself a number of times as a federal witness. Are you a federal witness?

Q. I would think so.

Q. In what case?

A. First of all, in the FBI case.

Q. A case that Scientology has brought against the Federak Bureau of Investigation and other federal agencies?

A. That's correct.

Q. For harassment over the past thirty years?

MR. WADE: Objection, Your Honor.

THE COURT: Sustained.

MR. WADE: Moved to strike.

THE COURT: Stricken. Disregard it.

BY MR. COOLEY: (Continuing)

Q. In any event, you are a federal witness. Have you testified in that case yet or given an affidavit?

A. I have given them affidavits and I was on hand for testimony in a hearing in Los Angeles. I did not at that time have to testify, but I'm considered a witness.

Q. Have you received any compensation from the FBI, the IRS or any federal agency, for your corporation?

A. Only the witness fees for the day in Los Angeles.

Q. The statutory witness fees?

A. That's correct.

Q. So you were not a paid informer?

A. No.

Q. Have you received compensation from Michael Flynn for your services as a so-called expert witnesses on Scientology?

MR. WADE: Objection, Your Honor. Asked and answered.

MR. COOLEY: I never asked that question yet.

MR. WADE: That question has be asked. It was asked at the beginning of the cross-examination, about expert witness fees and Mr. Armstrong testified concerning the fact that he called himself an expert witness in one of the depositions because Judge Breckenridge--

THE COURT: Yeah, we did go through all that.

MR. COOLEY: I never asked whether Michael Flynn specifically paid this witness any money, Your Honor, and I would like to ask that now.

THE WITNESS: The answer is no.

THE COURT: Just let me rule before you answer a question.

THE WITNESS: Okay.

THE COURT: I may not want you to answer.

BY MR. COOLEY: (Continuing)

Q. You say that in the conversations that you had with Joey on the 7th and 9th of November, 1984, that it was he who devised the proposal for using completed staff work as a vehicle for planting incriminating evidence in the files of Scientology, sir.

MR. WADE: Objection, Your Honor. That misstates the evidence. The tape that was shown, Mr. Armstrong made clear at one point he was not talking about incriminating false evidence. I have that statement in the transcript. So he misstated the evidence.

MR. COOLEY: That is not so, Your Honor. I would be happy to read precisely what I'm referring to so there would be no misunderstanding.

THE COURT: First of all, I'm going to instruct the jury, it's your recollection of what's said that counts, not the recollection of either. You must rely upon your recollection. What one lawyer says the evidence was or what the other lawyer says the evidence is, that's fine, but it's your recollection that counts. If you don't agree with them, forget what they say.

Go ahead.

BY MR. COOLEY: (Continuing)

Q. Do you remember stating to Joey that you could create documents with relative ease because you had done it for a living?

MR. WADE: Your Honor, I'm going to object to this whole line of questioning. We have had the videotape which is supposedly the impeachment evidence and now we are getting the questions again, do you remember stating that?

THE COURT: That's not proper, Mr. Cooley. We went through the tape. The tape was for that purpose. That's it. Now, if you want him to explain what he said on the tape, you can ask him to do that. That's pursuant to the statute.

MR. COOLEY: That's what I'm trying to do, Your Honor.

THE COURT: It wasn't phrased that way.

MR. COOLEY: Then I'll phrase it in terms of explanation, Your Honor. I'm sorry. That's what I intended to do.

BY MR. COOLEY: (Continuing)

Q. Mr. Armstrong, I would like to have you give your explanation to the jury and the Court of the following statements on the tape. You say: "Okay. What are our conversations, should it come down to it?" Joey says, "What do you mean?"

MR. WADE: Your Honor, we object again. This is just using another tactic or technique for the same thing. If he wants to ask him questions to explain certain things or certain definitions, he can do did that. But you don't use the transcript of the tape to go over it again and then ask him to explain it.

MR. COOLEY: I want to be precise, Your Honor.

THE COURT: Forget about being precise by reading from the transcript. Ask him a question and ask him to explain if he needs an explanation.

MR. COOLEY: Okay.

BY MR. COOLEY: (Continuing)

Q. When you, sir --

THE COURT: I let those tapes in for a specific reason so the jury could hear them for themselves.

BY MR. COOLEY: (Continuing)

Q. When you said to Joey, asked him the question about what his version would be of your meetings, should he ever be asked, and wanted to go over that with him before you told him your ideas on the documents, what was your purpose in doing that, sir?

A. I wanted it very clear on why I was there. I was -- the whole thing -- oh, you know, I should have smelled a skunk, a big skunk, real early on, because these guys were -- they came to me originally as the intelligence experts. The old guard of the Guardian's Office who wanted to clean it up, get rid of the Fascists and the terrorists at the top of the organization. They appeared to have a lot of savy, a lot of intelligence acumen. And then, with this initial presentation, they began asking me questions and wanting my help, and I should have smelled a rat, because they were asking me things which were insanely, either simple or they were being incredibly stupid or -- I passed it off as, well these guys are indoctrinated Scientologists. They never get out. They are not allowed to watch TV. They can't listen to radios. They don't know what's going on in the outside. They have one guy who contacts me and he says he's not really the legal mind or big mind or even part of the committee. So I'm trying to put things in relatively simple terms and explain these things.

So when I'm asked a particular question, you know, here what are we talking about? CSWs. You know, I should have smelled a big skunk. "Well, what exactly do you mean?" He knows what a CSW is. And was I going for anything incriminating? No. I wanted them to incriminate, yes. Incriminating in that it would state the truth that they knew to be the truth. And that's what I was -- that's what I was looking for.

So any of my statements made to these people -- oh you know, they had this -- I was dealing with a -- obviously an illusion. They didn't exist. There's no such thing as the loyalists and nobody inside wanted to reform the organization. No one wanted to clean it up. He was in bed with Ingram.

So, you know, you have to take whatever I said in view of this whole overall picture, and how I was asked these questions. And what exactly they wanted. Today, it exists is somewhat confusing to me. They screwed with my mind. They played with it from the first -- from the opening, when Terri Gamboa from ASI was sent to see me. Hubbard had already had a go at it for eleven or thirteen years and these guys decided to scramble it a little more.

So whatever I said --

Q. Will you let me know when your explanation is over?

A. Ask your question, then. That's the preamble.

Q. When you talked to Joey in terms of what the purpose was of your meetings and said to him, "Now are we agreed that's the purpose?" Were you attempting to get him to agree in advance to a story should you ever be asked on deposition?

A. I wanted it very clear. These guys are asking me questions and it's -- it should have been obvious to me. They are trying to set me up. It's obvious to everyone. And I'm trying to say, "Listen, I want -- you know, before I talk to you about documents, I want it to be very clear why I'm here."

And then, you know, you got the transcript. Then I went into this global settlement idea. I wanted down weapons, I wanted the madness to end. You can construe that however you want, but that's why I was there. I didn't seek to gain in the slightest from this whole sordid affair.

Q. Who was the lady you were going to meet?

A. I don't know her name.

Q. Did you meet with her?

A. I met with her.

Q. In the Sheraton Grand in Los Angeles?

A. And I would like the video and the transcript from that, too.

Q. We don't have that?

A. You've got it.

MR. COOLEY: Your Honor, I represent there was no video of that meeting.

THE WITNESS: How about --

THE COURT: Just a seconds. You represent that you don't have it?

MR. COOLEY: I represent that I have made inquiry of my client and I'm informed by my client there is no such video.

THE COURT: It's nonexistent. That's your representation?

MR. COOLEY: Yes, sir.

THE WITNESS: How about a tape recording, Your Honor?

MR. COOLEY: Nothing. No audio, Your Honor, no videos. He can say anything he wants about that meeting to you and I will tell him that in advance.

BY MR. COOLEY: (Continuing)

Q. Now, tell me what happened in that meeting.

MR. WADE: Objection, Your Honor. And move to strike the last comments of Counsel.

THE COURT: I want to make sure I understand Mr. Cooley representation to the Court, that there's not in existence any videotape, nor any audio tape nor any transcript of the meeting that he is referring to.

MR. COOLEY: This is a meeting at the Sheraton Grand Hotel with a woman by the name Rena. Just in case your memory has failed you permanently.

THE COURT: That's all my question it.

MR. WADE: Objection and move to strike comment of Counsel.

MR. COOLEY: I have no transcript of an audio. I have no audio tape. I have no videotape. I have made inquiry of my client, who informs me there's no such tape. That's my representation to the Court.

THE COURT: Okay. You are telling me it's nonexistent.

THE WITNESS: When Joey left, when we wandered ak, he was still wired. I followed him.

BY MR. COOLEY: (Continuing)

Q. Are you ready to tell us what happened at the meeting with Rena?

A. By the way, I was told that's not her name.

Q. That's what you knew her by, isn't it?

A. I was told that's the name she's using. That's not her name.

Q. Who told you that?

A. Dan and Joey.

Q. Well, you wrote to her, didn't you, under that name?

A. That's right. You must have the letter and I think I even say in the letter: "I don't even know what your name is." Correct?

Q. Don't ask me questions, sir, just tell me what happened at that meeting at the hotel, will you please?

A. Okay. We went to the hotel and she was there. I had already been told by Dan, I suppose he's the Peter in this scenario, isn't he?

Q. Dan is what? I didn't hear you.

A. He's the Peter. Judas.

MR. COOLEY: I don't know what you are

talking about. I can't follow this witness at all, Your Honor

THE COURT: Try, Mr. Cooley.

THE WITNESS: We have a high priest and a low priest.

THE COURT: It will come to you if you thinkg about it.

THE WITNESS: We have even got a Court here. Your Honor, I would ask that you don't wash your hands and ask what is truth.

THE COURT I promise.

BY MR. COOLEY: (Continuing)

Q. That's what we are trying to learn, sir. Will you tell us what happened at that meeting.

A. And I'm on the cross over Easter; right?

THE COURT: Okay. Let's go.

BY MR. COOLEY: (Continuing)

Q. That's an analogy that turns my stomach, if you want to know the truth.

A. I wasn't trained as a carpenter but as a Scientologist.

Q. Would you please, sir, before you go completely off the beaten path, tell me what happened at the meeting with Rena at the Sheraton Grand Hotel.

A I went there with Joey. She was already there. We introduced ourselves. She had already met Joey. I knew of her from Dan, who had described her as a member of one of the wealthiest families in the United States. She had been involved in Scientology. She had been hurt by Scientology. She wanted to do something about cleaning it up. And he said that he had contacted her and had suggested the possibility, because, again, I don't know of Dans validity at all. He's referenced in one of the Guardian's Office's operations against me in my B1 file, so he may or may not be in their bed, as well.

He had seen her prior to this, so he said, and had interested her in becoming the backer. He had told me that she was -- you know, amongst the extremely wealthy and that she didn't have anything to do, so she did things like this that interested her.

She was recently in a publishing -- she was publishing calendars and I had done a series -- an art series which he looked at and thought that they were the kind of thing which might fit into this calendar idea that she was then considering publishing. So I was going to see her to show her the art work and to -- Joey wanted me to see her because, again, I was the person who had statistics, as he said. I was the person who had taken on the organization, who had beat them, and I was the person who knew basically what was going on, on the outside, because he didn't.

So I went there at his -- at his request to explain what, in my opinion, was the situation regarding Scientology and the litigation and the various agencies who I knew were involved, the various cases, federal or state or criminal or otherwise. And that's what I did. Now, Joey also, because he thinks perhaps -- or obviously in retrospect I can say -- because he was hoping to trap me into making some statement which could later be used by you are some other person in a forum such as this, he had me do the talking. He explained that perhaps I would explain it better or that I would, you know, would wax eloquent or whatever. I don't know what the reason was, but he wanted me to talk. We know now why he wanted me to talk. And I did this. And we parted.

You know, it appeared that, you know, the girl was legitimate, she was friendly. I don't know -- I mean, she -- Who knows where she got the letter that you have that I later sent to her? You know, it's kind of a funny letter, as you probably know. But that's the way, sometimes, I write.

It looked like we were friends. She was going to be around for a couple of days. I think she was going to be buying polo ponies somewhere in the San Diego area for -- Maybe she was playing polo on the West Coast or I thought she was going back to the East Coast. She said she had a home, I think, somewhere up in Michigan, and a home somewhere -- sorry I'm not talking to you guys. Mr. Cooley got my attention there -- that she had a home somewhere in New York -- I think, Albany.

And that was the last -- that was the only time I ever saw her. I don't know if she's legitimate. In any case, it's just part of the same -- same operation. She was, perhaps, used. Obviously there are no Loyalists. She talked about the Loyalists. She knew Joey as Joey; I know him as Judas. That's what happened.

Q. Wasn't she supposed to give financial backing to this entire enterprise?

A. I believe I have talked about that.

Q. How much was talked about in the meeting at her hotel room?

A. Well, I don't know if there was any actual figure arrived at, but twenty thousand dollars was tossed around as what would be needed probably to retain an attorney who would be able to take this thing, at least to the point that they would know if it was doable or not, whether or not they could hang in through litigation was what had to be seen.

Q. Now, you remember, you expressed interest in type face. Do you remember that?

A. Yeah.

Q. And wanted to know whether type face on the issues that cranked through the organization were the same as on the the documents that were being shown to you by Joey. Why were you so interested in type face?

A. Well, I believe I have already explained that, but again, there was concern -- you know, Joey doesn't say it on this tape -- conveniently he doesn't say a lot of things on the tape -- but in prior communications, and I say on the tape at least, there was a great deal of concern about what the organization would do if these people filed a lawsuit. There was a real great deal of concern. And even the Feds have a concern. I mean, they were talking to be me about a safe house for me.

Anyway -- So in advance of whatever they were going to do, these people wanted to get some -- get some issues onto organization communication lines so that the way was paved -- I talked there about a survey, because they said -- and again, you know, a lot of this you have to understand, whatever was said, a lot of it was preceded by a great number of lies told to me by my pal Judas. And one of them was that they had been continually recruiting into their group. They would find people by talking to them or whatever means, people who were upset with the little clique at the top of the organization, who wanted to do something about it. And when they found someone like that, through time, they would recruit them into the Loyalists, these reformers.

And the idea was to put out an issue which everyone would get, and then see what's the reaction to this thing. It was to find out who would go. You know, what's the state of mind of these people? Are they all robotized like some of the people who would absolutely blindly follow Hubbard off a cliff or commit crimes for him, as we witnessed in this illegal video? Or are there -- you know, is there a significant number of people who will -- who really do in their heart of hearts think that it's all a crock and that they ought to do something. You know, is there this group of people who could be swung around? That was one of the objects of this -- of creating an issue. I don't even know -- I mean, they knew what -- they had done all the recruiting up to that point into the mythical Loyalists. And there was a couple of ideas like that. What are we going to do? Create an issue.

And in advance of whatever they planned -- you know, if they were going to file a lawsuit, then they would have to have a way of immediately briefing everyone. And if battle lines were going to be drawn, then that's the way it was going to be.

They wanted me, and I agreed, that people on the outside should be contacted. They said they had contacts on the outside. In fact, their plan from the start, so they said, was to bring in David Mayo.

David Mayo is a person who was -- he was considered the top technical person, auditing, that part of the whole Scientology scene. He was kicked out of the organization.

And these people claimed that they were in touch with him and that they wanted to bring him back and put some sanity back into the organization.

So part of the idea was to contact the various people on the outside who could be depended on, because they predicted that there was a real possibility, in the event they went through with this complaint or they were found out, you know, that their organization was cracked. You know, I bought it because I bought the fact that they even existed. They wanted to have people available. They wanted people from the outside to be involved so that with strength and numbers nobody would get hurt.

Q. Mr. Armstrong, isn't it a fact that what you had in mind, through the use of the completed staff work, or the CSW, was to get completed staff work in the files and retained by people that you thought were friendly to you; that would indicate that the investigation of Michael Flynn by private investigators or PI's was, in fact, a setup of Michael Flynn on the forgery of that two million dollar check instead of a legitimate investigation?

A. Well, in fact, yes. And the reason for that was, these people came to me right at the outset. That was one of the traps that they set for me, knowing, first of all, that Michael Flynn was my attorney; secondly, that Michael Flynn's probably my best friend. And knowing this, and knowing that I would to go to bat for Mike Flynn -- I think he's the most decent guy in the world -- they used that and they told me that they thought that it was a setup. They got a document out of the organization which was supposed to help that. They wanted me to pass that on to the Feds. They were working toward it being a setup.

Q. You are aware of the fact, are you not, that that two million dollar check forgery was used as leverage by Michael Flynn to file a petition in a probate --

A. That's so much -- That's a crock.

THE COURT: Wait a minute.

MR. WADE: Objection, Your Honor; irrelevant.

THE COURT: Sustained.

Disregard that.

MR. WADE: Move to strike.

THE COURT: It's stricken.

MR. COOLEY: I didn't even get the question finished.

THE COURT: You bet you didn't.

BY MR. COOLEY: (Continuing)

Q. When you told Joey that he didn't have the means to get these issues printed and get them on the lines and that you did, what did you have that he didn't have?

A. A word processor.

Q. Where did you have that?

A. My home. It didn't run off any issues.

Q. When you were talking to him about him not having the capacity and you having the capacity, you were referring to a word processing machine that you owned?

A. Well, those were mimeographed issues. And frankly, the word processor does not put out mimeographed issues. It's simply that according to -- you know, I don't know what resources they had because his story varied according to what response he wanted from me. He claimed at one point that there were people outside the organization, people inside the organization, people highly placed. I mean, he claimed that there were people on the Board of Directors. However, he said that they don't access to a mimeo machine. Well mimeo machines are out here in the wog world. And also the people who are in the organization work about twenty hours a day and don't get the opportunity to go anywhere and type up whatever issues there were going to need. I happened to, at that time, be unemployed, and to help out -- and again these -- you know, they use what Hubbard calls help buttons. And when you have been in the Sea Org working for ten bucks a week for eleven years, he knows that all you have to do is ask and you can turn one of us around in an instant. We are a pretty malleable bunch.

So I offered.

Q. When you indicated to him that you could type them and duplicate them and make them look exactly the same and that he couldn't, what did you have that would allow you to make things that could duplicate Scientology documents, whereas Joey couldn't do that?

A. I think I have just explained that. He said the --

Q. Was your machinery able to duplicate it?

A. No. It would have had to have been typed. They were mimeographed issues. I didn't have a mimeograph machine. I would have had to cut a stencil wherever -- wherever these things are done. He could never get out. Many appointments I would -- I was living in Orange County at the time. I would drive fifty miles into Los Angeles to meet with these clowns. Time after time after time they couldn't get out, break the appointment. It just went on and on. There was always some -- Probably they never got their video equipment just situated right. But you know, they continually said they can't get out of the organization. That's why there's this statement at thpe about -- you know, "How do we spring someone?" He says, "There are all these people that want to talk to you but they can't get out."

"Well, I'll spring them. Tell them that his cousin from Poughkeepsie called." They didn't have the resources; I didn't either. I mean, I was virtually broke, but I was willing to help these clowns.

Q. Now, sir, isn't it a fact that you proposed a program to set up Lyman Spurlock with a woman, thereby creating an embarrassment between him and his wife and proposed to use that as an extortion against Mr. Spurlock?

A. No. I don't think that's the way it was at all.

Q. Then tell us what Operation Long Prong was all about, if you will, sir?

A. Jury, this is really out of line and I've got to apologize for my language earlier. We're going to see a document from Mr. Cooley, undoubtedly, and I said some things which I really ought not to have, and it was out of line. It was even out of line for Lyman. But here goes.

The organization talked of Joey. They had this girl they called Carol, and Carol was supposedly a great -- a great beauty --

MR. WADE: Your Honor, at this time we would object just on the grounds that you cannot go through impeachment one, two, three times. We have had statements from the video tape. We had the statements before and we've got to go through it a third time.

THE COURT: I didn't understand that to be this. There was a reference made on the tape to Operation Long Prong, whatever that might be. There was something on the tape regarding that. Now, he has a right to explain it or he can ask him to explain it. That's proper under 609.

MR. McMURRY: Is there any limit?

THE COURT: Sure there is.

THE COURT: Under 611 you will find the limitation.

MR. McMURRY: All right.

THE COURT: They are to prevent undue harassment, embarrassment, and so forth. Yes, there are limitations. Does that answer your question?

MR. McMURRY: We would so move, Your Honor.

THE COURT: That's a different objection.

MR. McMURRY: We make it now.

THE COURT: Now, under 611, I will see counsel.

(Following proceedings held in chambers.)

THE COURT: I have already stated, and I was waiting for the right objection, and Mr. McMurry said that's right, Your Honor.

MR. McMURRY: Yes, Your Honor. We have two objections. One, under 609, of course --

THE COURT: I can limit the amount.

MR. McMURRY: That's right. And the predicate for the tapes was: the questions with respect to a number of issues that were raised over objection by Mr. Cooley before the tapes came in. Then the tapes were to be played as the impeaching evidence. Now we are going back through the tapes on other matters. Now, is that going to be to show the limited purpose of bias? If it is, that is improper.

Secondly, if it's by way of explanation of a fact in issue, that's improper because that wasn't what the tapes were offered for in the first place

The third objection is, we have now spent virtually two full days on the narrow issue of conduct or language of bias. Two full days. If the jury have not made up their minds on that issue by now, they never will. And 611 I think it's 613

MR. COOLEY: 613 is prior inconsistent statement.

MR. MCMURRY: 611 provides for the limitation on exceeding this narrow issue. 609 provides that it shall be narrow; it's the most stringent of all of the questioning in the code, because it is an exception to hearsay. And 611 provides that undue delay, undue prejudice, undue embarrassment or harassment is the paramount interest that the Court must extend to all witnesses. At last we should have arrived at that point.

MR. COOLEY: May I address the issue?

THE COURT: Yes.

MR. COOLEY: This witness proposed an extortion and setup of one the high ranking members of Scientology: Lyman Spurlock.

THE COURT: That's a subsequent bad conduct or bad act. It's got nothing to do with bias.

MR. COOLEY: I'm offering that on bias against the Church to show an attempt to set up one of the highest members --

THE COURT: You are getting into showing evidence of a crime.

MR. COOLEY: Your Honor --

THE COURT: The answer is no. That doesn't come in.

MR. COOLEY: Then I will just mark this for identification.

THE COURT: This to me is extrinsic evidence far beyond the need to show bias. I have let the tape in. If they go strictly to bias and there is something there that he says, "Yes, I did that and I explained," we have let him do that. But this is outside of that area, as I view it, in any context. I can't understand what this would have to do with bias.

MR. COOLEY: I'm doing the same thing with this I did with the other things.

THE COURT: This is just an attempt to confuse issues, to bring in collateral extrinsice matters that have no bearing whatsoever. If they can't see bias -- you had these tapes would fully show his bias. Now they've seen the tapes in their entirety.

MR. COOLEY: I take it I'm then -- I want to make absolutely certain I understand. I cannot ask this witness any questions about the statements that he made on the tapes?

THE COURT: You can ask him questions about statements on the tapes. If he answers yes, he may explain those.

MR. COOLEY: That's what I'm doing with thie Operation Long Prong; it was referred to on the tape.

THE COURT: He never --

MR. COOLEY: This is the paper he gave to Joey; I'm holding it in my very hand.

THE COURT: I'm not going to subject -- I think under Rule 611 -- both under 609 and 611 the Court has discretion to limit this. And I'm exercising my discretion in this regard.

MR. COOLEY: I'll just mark this for identification when we get back in.

THE COURT: Okay.

(Following proceedings held in the presence of the jury.)

(Defendants' Exhibit No. 879 was marked for identification.)

BY MR. COOLEY: (Continuing)

Q. Mr. Armstrong, I show you what has been marked as Defendants' Exhibit No. 879 for identification, and I ask you whether that is a document in your handwriting?

A. Yes, it is.

Q. Is that a document that you delivered to --

MR. WADE: Objection, Your Honor.

THE COURT: That's it.

MR. COOLEY: I wanted to establish the flow for it --

THE COURT: He's authenticated it. That's enough. He said he wrote it; it's his document. I have already ruled about the admissability.

MR. COOLEY: I don't mean to inquire into the context.

THE COURT: Mr. Cooley, I have ruled. I'm taking control from here on out. Both Counsel.

MR. COOLEY: May I see the Court a moment?

(Following proceedings held
in chambers.)

MR. COOLEY: I am merely trying to establish a proper predicate if this case goes up on appeal that will not leave me with a deficient record. I'm not going to go into the contents.

THE COURT: The record is not deficient. He identified it as a document he wrote.

MR.COOLEY: But it is deficient in this respect: this is a document he gave to Dan Sherman who gave it to Joey. I have got to show that, Your Honor. That's all I'm trying to show.

THE COURT: I don't care about that.

MR. WADE: We will stipulate to that.

THE COURT: All right.

MR. COOLEY: All right. That's on the record. That's fine. That's enough.

(Following proceedings held in the
presence of the jury.)

MR. COOLEY: Will the Court receive that as an offer of proof?

THE COURT: Yes. There has been an objection and I have sustained the objection.

THE WITNESS: Your Honor, I don't know if it's going to be pursued, but if it isn't I would just like to say that --

THE COURT: You don't have to say anything.

THE WITNESS: -- it's obvious that it's a joke, Your Honor.

THE COURT: Don't say anything. The jury just disregard it. I have not allowed it. You are not going to hear whatever it was, because I don't know what's in it either. You are not going to hear it. I'm not going to hear it. None of us are going to hear it.

THE WITNESS: Okay, Your Honor. Thank you.

BY MR. COOLEY: (Continuing)

Q. Did you think Joey was a staff Scientologist, sir?

A. I didn't know. You know, at the outset, I asked him was he working for the Organization? He said no. Another time, you know, in trying to find out what he did, he said -- I mean he was obviously not in the Sea Org, because he was able to get out. He worked in tech area. What exactly he did, I don't know. Sometimes he said that -- and I was not always sure if he was doing the sec checks or someone else was doing the sec checks, but he said that within the Loyalists they had no worry about them being found out in a sec check -- obviouslly we know why -- because either he or someone else would do the sec check. So he was involved in sec checks to some degree. What exactly he did, I don't know. Obviously, you know, he's in the Organization as a covert operative.

Q. Did you ever hear of public Scientologists doing sec checks on staff members?

A. I don't know. I mean, he's not Sea Org. I really don't -- I can't tell you. I wish I knew. I wish I knew his name.

Q. But you never heard of anybody off staff doing sec checks on staff, did you?

MR. WADE: Objection, Your Honor. We think this is a collateral matter.

THE COURT: I think he can answer that. Overruled.

If you know, you can answer it.

THE WITNESS: I really don't. I never had heard of it but -- I really can't even say. You know, where I was, everyone was Sea Org. Where he was, sum different scene.

BY MR. COOLEY: (Continuing)

Q. Were there any other kinds of documents, other than issues, that you contemplated creating?

A. Well, there was the CSW, that definitely was talked about.

Q. You were talking about the CSW that was created in connection with an issue, weren't you?

A. Well, you know, the CSW -- yeah, but it's a different type of document. Beyond that, you know, if you've got something, I would like to see it. Those are what come to mind. I know you do have a CSW or partial of one or something to do with a CSW that -- I think it was even requested on the video -- to do with the private investigators. Again, you know, when I write these things and I happen to be by some misfortune a writer --

Q. What have you published, sir?

A. Well, I haven't, but I do write a lot. You know, whatever comes out of the pen comes out, as you probably know. And so I can't tell you how serious whatever the CSW or whatever the document is you've got, until I see it. I can't even recall all the documents. I would like to see them, because I think that in context of all the documents and all the pictures I drew for these people and so on, a broader picture is necessary.

MR. COOLEY: Mark this.

(Defendants' Exhibit No. 880 was marked for identification.)

BY MR. COOLEY: (Continuing)

Q. I show you, sir, what has been marked as Defendants' Exhibit No. 880 for identification and ask you whether that is a document in your handwriting.

THE COURT: Can you tell me what it's --

MR. COOLEY: It is a CSW prepared by this witness, Your Honor. CSW, standing for "completed staff work".

THE COURT: Thank you, Mr. Cooley.

THE WITNESS: I have read the document.

BY MR. COOLEY: (Continuing)

Q. Is that in your handwriting?

A. Yes.

Q. Is that a kind of -- strike that. To whom did you give that? Did you give it directly to Joey, or to Dan to deliver to Joey?

A. I can't tell you.

Q. Was -- do you recall when it was -- there was reference you had -- at some point you said "Tomorrow I'll work one up and show you what I have in mind." Is this one you did?

A. It may be. This is the only one that I recall doing. You know, obviously it's, you know, it has some humor interspersed with, you know, an idea for them.

Q. And idea for the kind of completed staff work that could be placed in the file in connection with the development of an issue which would be passed up the line, correct?

A. The object of this whole thing -- I mean the fact is, the truths of Scientology is that policy is meaningless. You know, policy in large part exists for courtroom situations. The Organization can haul out a policy which says, "We do nothing illegal," when they are doing illegal things all the time. So that's the truth.

However, these people had a problem with the PIs. I had a problem with the PIs. I was assaulted by these guys. I was run into by these guys. The PIs were -- you know, it's really a pain to realize that you put all your life into this Organization and then they use the sweats of your labor to hire PIs to destroy you. But these people were concerned. They expressed concern about the PIs. It was one of their big concerns. Joey used to go on about Ingram and how much he hated Ingram and how he hated running around doing Ingram -- you know, he had -- he was

Q. Excuse me?

A. I'm explaining this document.

Q. Do you remember the question?

A. Right. We are talking about this document. What it's all about. The creation of an issue.

Q. All right.

A. And it was based on the fact that the use of PIs is off Scientology policy.

Q. I that the you just told us policy doesn't mean anything.

A. Exactly. It doesn't.

Q. Then why --

A. But supposedly you can't get hit. How can a guy get hit for saying, "I found something off policy." He would, but whoever would write this document is taking his life in his hands because he is in fact pointing out to the Organization heirarchy what the illegalities are.

Q. Did you tell Joey if he put this in the files he'd be taking his life in his hands?

A. He expressed to me he was taking his life in his hands. The object was not so much to put the document in a file. That's some later plan that they had, he expressed to me a number of times. As far as creating documents which could be available in a raid, that was their plan. They wanted me to underwrite it in some way. I refused. I nixed the idea.

But I said a frontal attack makes sense. And by that I meant: write up exactly the facts as you know of them and put it in the form of a CSW you are trying to right -- rectify the situation. The fact was the private investigators were getting them in a lot of trouble. They have got them in a lot of trouble.

Q. On that point could I ask this question: why then did you propose that they sneak the CSW off the premises so when higher ups came looking for the CSW, it wouldn't be there?

A. No, not that. It had to be typed off the premises because these guys can never get time. So in order to get the thing done so it could be online, type it off the premises, take it inside. It didn't matter. It could have been typed inside. There was no -- it didn't have to be typed off the premises for any reason other than the fact that all of these people are doing -- are within the Organization doing all sorts of different posts, per Joey. I never found out one post that they were involved in. But he said that they were always scrutinized. He said that the security was so intense. They were television cameras monitoring people as they went in and out of this Church.

They needed time. You know, sitting there with this thing, if you are supposed to be typing letters out to someone, you know, to bring in more recruits or whatever, and you are typing up a CSW to do with getting rid of the private investigators, then your senior is going to find out about it and you never get a chance to complete the damned thing. The idea was to get it done, completed and onlines, which means put it in an in-basket and have it go to the various people.

And within that document they would lay out all of what they knew, lay out the whole story. So within the Organization, the story is told so that everyone along the line is going to know. And I said, yeah, retain a copy, which they should do anyway. So in the event that someone at the top of the Organization goes, "Whoa, we better squelch this deal real quick. We can't have the truth being in the

Organization," you got a copy of what you did. That's all it was. If the guy is going to take a dive for it, have a copy.

Q. Did you ever devise a plan for sticking a CSW in the lines that didn't go up the lines and put in possession of a person and have it available at a later date?

A. Well, I don't recall any such plan. If you've got a document, then that's a different thing. But I don't recall any such plan. My plan was to get it up lines, get the signatures on it. Confront it.

Q. When you were in Scientology, did you ever create a document that purported to go to somebody but, in fact, was not sent, it was merely put in the files by you without having been seen by anybody else?

A. Oh, gee. I don't recall any such thing.

Q. You have no memory of that?

A. No.

Q. Do you have a memory one way or another?

A. What?

Q. Do you have a memory that you didn't do it?

A. Well, it's blank. I mean you don't get a read on it so I don't -- Do you have something on that?

Q. I'm not here to answer your questions, sir.

A. I understand that, but if you do, I would like to see it before I'm asked more questions, because I don't recall such a thing.

Q. You hve no recollection one way or the other whether you did such a thing or you didn't do such a thing; is that right?

A. Well, I can tell you honestly that I don't recall such a thing, ever having done it or ever having a reason to do it.

Q. It would have been a wholly improper thing to do, would it not?

A. I would guess. Do you have a document?

Q. We'll see. Now, sir, was there any other -- have you given incidentally your full explanation on that CSW that we've got up there as Exhibit 880?

A. I guess so. I mean, you have to understand that this is -- this is in places funny, you know, count the faces, thirty seconds, ten points, go.

Q. What does that mean, incidentally?

A. Because within this document, I drew a number of faces.

Q. I thought that was a code. What does that mean?

A. What does it mean?

Q. Yes.

A. What does what mean? What I just said?

Q. Yes.

A. Within the document, I drew a number of faces.

Q. You draw faces in connection with your own signature, don't you, sir?

A. You probably got some, don't you?

Q. Yeah, I've got a few.

A. I would like to see them, then.

Q. We'll get around to it. How long has that been a practice of yours, drawing little faces when you do your signature?

MR. WADE: Objection, Your Honor, irrelevant.

THE COURT: Yes. I don't see any relevance in that. He says he does do it sometimes, I guess.

MR. COOLEY: Okay. He was about to explain that one, two, three, go or whatever it was, I don't know.

THE WITNESS: It's a joke.

BY MR. COOLEY: (Continuing)

Q. Count the faces, thirty seconds, ten points, go, six, eight, ten, twelve more. What does that mean?

A. You try it. It's a quiz.

Q. I don't get it. Believe me. I quit. What does it mean?

A. You've got twenty-five more seconds. No, it's a quiz.

Q. I see.

A. It's a little joke. You know, -- you know, Mr. Cooley, you have to understand that, you know, throughout this

-- this whole period, I'm writing a book, I'm -- you know, underneath this exterior, as I said before, I'm both a funny and tragic character. And, you know, occasionally I do things that I consider funny to get me out of the horror. So that probably explains it. You know, I was involved with these people, I was writing, I was litigating my own case, I was talking to the Feds, so on. You know, it was a very extremely tense period for me. Not that things have got particularly lighter in the last couple of weeks.

MR. COOLEY: Your Honor, may I request a brief recess at this time?

THE COURT: Okay. We will take our afternoon recess. Please remember my cautionary instructions. Don't discuss the case amongst yourselves. We will take about a fifteen-minute recess.

(Jury was excused. Court recessed at 3:04 p.m. and reconvened at 3:27 p.m.)

THE COURT: Ready, gentlemen?

MR. COOLEY: Yes, Your Honor.

Your Honor, I move that 880 be received into evidence. That's the CSW he testified to.

MR. WADE: No objection, Your Honor.

THE COURT: 880 will be received.

(Defendants' Exhibit 880 was admitted

into evidence.)

(Following proceedings held in the presence of the jury.)

THE COURT: Mr. Cooley.

MR. COOLEY: Thank you, Your Honor.

BY MR. COOLEY: (Continuing)

Q. Have you called Dan Sherman in the last two weeks?

A. I think four.

Q. Have you left any messages on his answering service?

A. Two.

Q. You knew that the service was recording you when you left the message, didn't you?

A. I guess so.

Q. On how many of those occasions did you reach him?

A. I probably talked to him four times; left two messages.

Q. So a total of six calls?

A. Something like that.

Q. During a two-week period?

A. Yeah.

Q. Did you call him four times last night?

A. No.

Q. And once this morning?

A. I never got -- I never talked to him, I never left a message.

Q. But you made five calls and didn't connect on any of those cases, right?

A. Right. Never talked to him and never left any message.

MR. WADE: I object to this line of testimony. The testimony would have to go somewhere to show bias, because it certainly has nothing to do with direct examination, so it's beyond the scope of direct. And it goes nowhere to show bias.

MR. COOLEY: I'm coming to that in my next question, Your Honor.

THE COURT: Let's hear it.

BY MR. COOLEY: (Continuing)

Q. Did you, on one of the ocassions that you got through to Dan Sherman, tell him to shred any of the documents that you had given him?

A. What I told him was --

Q. Did you tell him to shred documents that you had given him in your handwriting?

A. No. What I told him was, I told him a couple of things. I said -- because Dan had expressed -- when this thing began and I knew it was all an operation, I called Dan -- first of all, to determine was he part of the operation. I had done work for the guy. He came on like a best friend. I didn't know. And I also felt that I had been lied to by Joey, I had been lied to by Rinder, I had been lied to by just about everybody. I wanted him -- I asked him if he would come up here and testify. The first -- you know, that was, I don't know, Thursday -- Wednesday or Thursday. And I called him back the next day. He said that he had a horrible night. You know, he was shaken by the whole thing. He said he's scared to death. He declined. He said he wouldn't. You know, I was pretty broke up by it, hence the reference to Peter earlier on.

I said that in my opinion, -- he had been telling me all along, and Joey had been telling me all along, that his phone -- he said the -- Joey said, "The organization does not tap phones. They don't do that stuff." He said, "They used to." He said, "They used to get phone bills illegally, but that they cut out all that stuff." So that's what Dan relayed to me. I even asked Dan, "Are you taping the call?" You know, at this point, you know, who cares? I mean, -- I'm a destroyed individual. However, you know, I still had some friendship for Dan. I let him know. In fact, the message I left on the machine was --

Let me say this first. I can't tell you exactly when each one of these things happened, but Dan expressed a great deal of concern that he was vulnerable because he's got a manuscript. It's a book which -- when I was in London, I did some work for him. It's a book -- it's a spy book on

Matahari. And in the British archives I did some research for him and a dug up a lot of information on Matahari and got him some information on where she was in London. You know, I spent somne days at it. He's got this manuscript and he was afraid that it would be stolen by the organization.

I called him up and I said, "Call me from an outside phone." I don't know. He called, I think it was from an outside phone. I said, "I have a couple of recommendations. You can do with them what you want." I gave him the number of Al Lipkin, that's Criminal Investigation Division. I said that we had been -- "It's a setup. I don't know if you are a part of it. If you are not, you are concerned, call those guys and get your place swept, because I bet there is a tap on your phone." That was number one.

I said, "I don't care what you do with all of my materials." You know, stuff that I wrote Dan, they were -- you know, letters. That's all there is. There was nothing that he has that's incriminating in any way. However, you know -- and I have a particular art form and I consider -- you know, worth fifteen bucks a page, you know, original art.

Q. I'm sorry. What is worth fifteen dollars a page?

A. My original writings, original art.

Q. You think they are worth more unsigned than signed, don't you?

A. Yeah.

Q. What's the reason for that?

A. It has to do with authentication problems.

Q. Do you think if signed them they are worth fifteen dollars a page and if you don't, they are more valuable because they are more difficult to authenticate; isn't that your theory?

A. Don't you think that's kind of funny?

Q. I think it's a riot. Go ahead.

A. You know, I'm funny on occasion, you really want to know what's going on behind these eyes?

Q. No, thank you. I would like to know whether you told Dan Sherman to shred your documents. That's what I would like to know.

A. I'm getting to it. I said, "I don't scare what you do with them. You can shred them if you want." And I frankly don't. I don't care if he turns them over to the organization. But I wanted to give him the -- also said there's a couple suggestions. One, get your -- you know, if you are concern -- I don't know, Dan could -- it could have been a complete setup. He's referenced in these documents as a trusted GAS member. GAS is Guardian Activities Scientologist, he's a covert operative. He writes spy stories. I like the guy. I like him a lot.

Anyway, what I told him was, and if you know about this, you either know about it from Dan or you know it because you have a tap on the line. And what I told him was, "I don't care what you do with them. You can shred them if you want." Because I wanted him to feel however free he wants to about this whole thing. And I told him that he should --

THE COURT: Take the jury out.

(Jury was excused.)

THE COURT: Just a second, Mr. Wade. Stay put.

Okay. Step down.

(Witness was excused.)

THE COURT: We will take a brief recess.

(Court recessed at 3:39 p.m. and reconvened at 3:50 p.m. Following proceedings held in chambers.)

THE COURT: How is he?

MR. McMURRY: He's all right, Your Honor. He's facing the last guy he trusted that he's probably implicated too, is just --

THE COURT: I think it's fair to say he is. There's not a tap on him.

MR. COOLEY: There's not a wire tap.

MR. McMURRY: He doesn't know.

MR. WADE: Can I state my objection for the record, Your Honor?

THE COURT: Go ahead.

MR. WADE: We have all realized, the Court has pointed out, this is a very unusual line of impeachment, a line of impeachment of an operation set up against a potential witness, not only in this case, but in federal cases, in his own case. That took place approximately three years after he left the organization. He has been cross-examined on the subject of bias, for the limited purpose of bias --

THE COURT: No. The tapes were for the limited purpose of bias.

MR. WADE: The tapes were for the purpose of showing bias. The tapes fit in with the entire operation. They were obtained through the operation. Now the witness is being presented with evidence concerning, as Mr. McMurry stated before we got on the record, the last person, the last person left who he could trust. The person who had allegedly befriended him and been a friend of his for quite some time. And the objection is based upon the grounds that because these questions are asked again to show some kind of bias against the organization or to impeach based upon this biased -- this evidence of bias, that we went over the line and went to the line now where it can be controlled by 611 and also I believe by 608 and 609.

Particularly by 611. And 609, the section that limits cross-examination under certain circumstances.

And the Court has a duty to litigants and also has a duty to the witnesses. I think it's gone far enough. What effect is this going to have on Mr. Armstrong?

THE COURT: You see, that was the question I was going to present next to you, Mr. Cooley, and you, Mr. Runstein. What effect does all this have in this case? It seems to me we are now developing evidence for one reason only: to be used against Mr. Armstrong in some subsequent litigation, vis-a-vis, the line of questioning, the presence of all the lawyers in the back of the courtroom, my courtroom isn't for that purpose.

MR. COOLEY: I'm not using it for that purpose, Your Honor.

THE COURT: Why are they here?

MR. COOLEY: They are here because this witness' demeanor is something that's important to them. They wish to see the witness in action. They are going to have to face him in other cases. That's simply a matter of educating ones self. A lawyer who knows that a witness he's going to have to face is being cross-examined in another courtroom, it seems to me, he has an obligation to his own preparation to go in and take a look at how the witness conducts himself. There's nothing wrong with that. I do it myself.

THE COURT: I don't think there is anything wrong with it necessarily. I don't think my courtroom has to be the forum in which the next case will be tried.

MR. COOLEY: I'm not trying the next case. I'm trying this case. I didn't put the man on the witness stand, Your Honor.

THE COURT: Let's think back now, to the line of direct examination. Mr. McMurry, that was narrow.

MR. McMURRY: That's correct, Your Honor. Two points. The biography of Hubbard and how it was directly contrary to the representations that were made to Julie Christofferson.

Number two, the control exercised by Hubbard, through the various organizations, and his identifying the flow up and down of Hubbard's control through the chart -- I can't remember its number, 156, 157 -- those were the two areas upon which he testified. And now this extraneous material comes in in some form of bias. It is --

THE COURT: The tapes were bias.

MR. McMURRY: What could this possibly be?

THE COURT: I don't know. I'm waiting to hear about it.

MR. COOLEY: This is bias, as well. It shows in his own writings, I haven't even to a whole bunch of them. This thing about Sherman was important only because he would furnish documents to Sherman who would, in turn, furnish them to Joey and to Mike. And -- I didn't even raise Sherman. You see, if Sherman was such a dear friend of his, he's the one that blew Sherman's cover if Sherman was loyal to him, because he mentioned Sherman's name. I never mentioned it. After he brought it up, I dealt with it. That's quite contrary to the way he treated one other party that still remains unidentified and the Court allowed him not to give that identity. But he's the one that blew Sherman's cover, not me.

MR. McMURRY: My recollection is Mr. Cooley demanded and insisted upon the names of these people, not some general reference.

MR. COOLEY: I have the transcript in any event.

MR. McMURRY: Of course you do.

MR. COOLEY: Your Honor, --

THE COURT: We are getting -- What I'm trying to tell you, Earl, we are getting very close to the line when we are going too far. When both -- not only the code, but the general purview of the Court has to say, "We stop now." We are getting close. Even you will have to admit we are getting very close to that.

MR. COOLEY: Your Honor, when you are dealing with a witness as important as this witness is, you know, Mr. McMurry says he confined him to three areas -- two areas. The fact of the matter is, in the course of that testimony, he made a vicious assault on the Church of Scientology in every possible respect, and on L. Ron Hubbard, both personally in terms of his character, in terms of his background, in terms of his validity reaching as far back --

THE COURT: But you don't represent L. Ron Hubbard.

MR. COOLEY: L. Ron Hubbard is the founder of the Church of Scientology.

THE COURT: But you have made it clear all along you don't represent him.

MR. COOLEY: What has that got to do with it? To defend the Church, to have L. Ron Hubbard attacked and L. Ron Hubbard being the source of the technology of the Church, to bring L. Ron Hubbard down as a fraud is to attack the Church. You can't separate those two in that regard. The Church follows LRH's technology. And if he is painted by this man to be a fraud, then in order to defend the Church, I have to show --

THE COURT: I have let you do that.

MR. COOLEY: Indeed. Now, this witness was engaged in this operation that was shown on the tapes, documents changed hands. I have a file folder full of documents in his handwriting. I did this examination concerning Mr. Sherman to lay the groundwork for the next document which is a document that went via Sherman to Joey. It is in this witness' handwriting.

THE COURT: And it shows what?

MR. COOLEY: Well, it shows a number of things, things that --

MR. McMURRY: What did that have to do with the telephone call yesterday?

MR. COOLEY: I think that it is -- on the question of bias, on the question of whether he is here to do a fair and honest job and to be fair to the Church or whether he's here to dig a hole for the Church on a bias basis, a statement to somebody that you better shred my documents, and I didn't even go as far as the conversation really went. He said, "The jig is up, Cooley has got tapes. Shred the documents."

MR. McMURRY: If you speak louder, I think the jury can hear you.

MR. COOLEY: The jury isn't even in the room. The jury has left the room, Mr. McMurry. Go with the flow.

THE COURT: Do what?

MR. COOLEY: Go with the flow.

Here's a document here. This one is passed by Armstrong to Sherman. "Get me an original of an LRH Executive Directive, current, or other issue type which could be from Hubbard. Same for WDC. Watchdog Committee. Gathering up his documents that he can have so he can study their typeface in connection with his project to create a phony documents.

Perspective for the troops documents, which is also given to Sherman and passed on for transmisison to the so-called Loyalists.

THE COURT: You know, I have been trying to put a handle on what's bothering me about this whole thing for so long, about this whole line, and I know that I can't find a legal handle for it. But my sense of what's right and what's wrong, there is something about setting up a guy and then using what you get from him against him from a setup seems to be inherently unjust.

MR. COOLEY: Judge, we went through all that.

THE COURT: I know. It still bothers me.

MR. COOLEY: In the context of the ruling that the Court ultimately made, and I was quite impressed with the very first thing the Court read from the bench yesterday morning, on the limitations or lack of limitations that should be put on cross-examination for bias.

THE COURT: I know, and the case law says that.

MR. COOLEY: I think that the Court's instinct in that regard was very, very sound.

MR. WADE: Well, I don't understand the concept at all. I have had -- I think we have shared the what's right and what's wrong and maybe we call that the common decency. As the Court has pointed out --

THE COURT: Unfortunately, I don't know of any law we've got in the code that says common decency rule.

MR. WADE: There is a law. We do have rules of evidence which go to common decency. The Court may end examination, where it reaches a point where the harassment of the witness, prejudicial effect on the witness outweighs any --

THE COURT: Any probative value.

MR. WADE: -- any probative value of that evidence. And we have reached that. And particularly in these circumstances, where we have what everybody knows is a Church setup to obtain documentation to be used against the witness, it is incredible in those circumstances. I mean it's just -- I know it's difficult to put a legal handle on because this kind of thing just doesn't happen.

THE COURT: It sure doesn't.

MR. WADE: But it has happened in this instance.

MR. COOLEY: Judge, it happens all the time.

THE COURT: Well, maybe where you come from. It doesn't happen that much in this state. It really doesn't.

MR. COOLEY: You know, Judge, none of the real protagonists in this case come from this state.

MR. McMURRY: I object to that. I object to that. Unless he has some criminal conspiracy involving me, which he would be willing to state, off the record.

Are you prepared to do that, Cooley?

MR. COOLEY: McMurry, I don't deal directly with you. I'm telling you if you count the people involved here, these dog-and-pony witnesses that you brought in here have nothing to do with Julie Christofferson's case and you know it. You know that there's an agenda here that goes far beyond Julie's case. Franks never met the woman. Walters never never met the woman. Armstrong, until he came here, I am sure never met her. All of these witnesses, she hasn't been involved in this case for three weeks. .

THE COURT: Five.

MR. COOLEY: That's what I warned against in the beginning, Your Honor.

MR. McMURRY: Nor have you.

MR. COOLEY: You see, Your Honor, I asked the Court to be very careful about what happens here. Everybody is aware of the sensitivity that the Court has to certain matters. I am not unmindful of the fact that Franks, when he was cornered, started crying. Walters, when he was cornered, started crying. This fellow now, does the same thing. We are in here now because he broke down on the witness stand and started crying. The Court is a sensitive man. The Court's sensitivity in that regard is well known. And as soon as that happens, we start getting pushed to restrict cross-examination.

THE COURT: I know.

MR. WADE: It's not a question of when somebody is cornered, they started crying. It's a question when the attack becomes so personal in nature. I'm not talking about just cross-examination, Your Honor. These are attacks. That's what they are. They are attacks. We are so far afield from bias. I mean, if the tape didn't show it, if his testimony on that stand talking about what the Church has done to him, and how he wants to clean up the Church, and how he wants to stop the madness, and stop these kinds of acts, does not show bias, I don't know what does.

Of course, he wants to stop it. He wants to stop these act of madness. He wants to stop what happened to him and others. At some point, particularly when he has admitted to it, it is in the tapes, it's in his testimony.

THE COURT: You see, technically, if you read 609.1 carefully, with bias, if you ask him, "Did you write this document?" And he freely admits, "Yes, I did write this document." That precludes any other extrinsic evidence.

MR. COOLEY: I'm not putting in extrinsic evidence. I'm putting in the documents.

THE COURT: But you are asking questions about it.

MR. COOLEY: Yeah. But extrinsic evidence is evidence from another source.

THE COURT: You can ask him, "Did you write the document? Yes, I wrote that document." Then you give him a chance to explain it if he wants to explain it and that's it.

MR. RUNSTEIN: Have him read the document?

THE COURT: Of course.

MR. WADE: Even further than that, Your Honor, I think what you do if you look at the comments to 609, if --

THE COURT: I have, very carefully.

MR. WADE: If there is evidence that shows that the witness would be biased -- I mean if the witness said, "Yes, I'm biased against the Church.

I don't like the Church, what they have done." That ends it. It no longer can go into three days of evidence to show how the person is biased against the Church.

MR. RUNSTEIN: He went beyond --

MR. WADE: In addition to that, at some point, the evidence becomes cumulative. Here we have an operation, we have listened to the videotapes, we have certain documents that are in, and there comes a time when it has to be stopped.

THE COURT: I agree there comes a time. I don't know whether we are quite there yet, but we are -- I mentioned we are getting very close.

MR. RUNSTEIN: Only because I said very little in the last two or three days. Let me add just one thing. This isn't a witness who just stepped off the turnip truck. This is a witness who wrote those documents and who shows more than the normal bias when he writes documents about preparing phony documents, for whatever reason, preparing things that never happened, when he joins an insurgent-type group, performs this undercover covert type of conduct, and have them now to cry it's unfair to confront me with what I had did -- I use the word that's be batted around here a bit.

You know, if you play in those kind of games, I guess you face the consequences of it. To say now, "It isn't fair to make me respond to what I did" -- he had a choice. His choice was not to become involved. He became involved. He drew up those documents and made those proposals. Now to --

MR. McMURRY: Now he can explain --

MR. RUNSTEIN: Now to explain how and why. Now you go to weight, not admissibility.

MR. McMURRY: Not a counterclaim. He had that choice to submit to continued harassment. He has that choice not to go to the FBI, not to go to the IRS, not to talk to the U.S. Attorneys, not to the talk to the Canadians. He had all of those choices. And to talk in this courtroom about covert operations in light of what we know your group did, and to talk about with authorities of the United States Government as covert is a misuse of the English language.

MR. WADE: I think what Gary is talking about is the same thing we are talking about.

THE COURT: I know.

MR. COOLEY: Your Honor, unless I read the witness wrong, he would be delighted to explain every document. He wanted to explain Operation Long

Prong and you wouldn't let him.

THE COURT: I know he did and I wouldn't let him. That's right.

MR. McMURRY: Well, at some point --

THE COURT: I don't know what it is.

MR. COOLEY: It's a setup of Lyman Spurlock with a woman to embarrass him in his marriage.

MR. McMURRY: We should at least have Judge Breckenridge on a phone line so he could make rulings on relevancy and harassment. We are in his case. We should at least show the courtesy to the judge on that matter, to participate.

THE COURT: Even Judge Breckenridge might be amazed at some of the testimony in this case.

MR. McMURRY: He would be.

THE COURT: And I'm sure he will know about it. As will probably the California State Bar and the California authorities. I have no question about that.

MR. McMURRY: I think he's ready now, Your Honor.

THE COURT: Okay. Let's go ahead. Earl, I think you are in another -- I think he can cope with this. I think it was a question right now of a situation, as these gentlemen have analyzed, his best friend, he found out sold him out.

MR. COOLEY: I'm ready to go on to the next document in any event, judge.

THE COURT: At some point, I want you to know we are getting to a line. I don't know what it is yet.

MR. COOLEY: All right, Judge.

THE COURT: Because I don't know what you have in your little package.

MR. COOLEY: We'll cross that bridge when we come to it.

THE COURT: I guess we'll have to.

(Following proceedings held in open court.)

THE COURT: All ready, gentlemen?

MR. COOLEY: Yes, sir.

THE COURT: Let me welcome all the other attorneys from the other Bars around the country because, as I told Counsel, I can spot an attorney a long way off.

(Following proceedings held in the presence of the jury. Defendants' Exhibit No. 881 was marked for identification.)

BY MR. COOLEY: (Continuing)

Q. I show you, Mr. Armstrong, what has been marked as Defendants' Exhibit No. 881 for identification and I ask you whether that is a document written in your handwriting which you delivered to Dan Sherman for transmission to the so-called Loyalists?

A. All except the notation on the bottom.

Q. Whose writing is that on the bottom? Do you recognize it?

A. I can't say for sure.

MR. COOLEY: I offer it, Your Honor, with the exception of the unidentified handwriting on the bottom.

MR. WADE: If it could be offered without that handwriting, we have no objection.

MR. COOLEY: We will revap that handwriting.

THE COURT: The handwriten notation on the bottom will be deleted. The exhibit will be received.

(Defendants' Exhibit 881 was admitted into evidence.)

BY MR. COOLEY: (Continuing)

Q. Do you recall when you gave this to Mr. Sherman?

A. No.

Q. Item 1, it says "Plan on VanShake." That refers to the Lavinda VanShake case pending in Boston; does it not?

A. Yes.

Q. Were these eight or nine points that you have on here, were these items that you had on an agenda for a meeting with Joey? Or were they items that you were transmitting through Mr. Sherman to the so-called Loyalists in order to get some information?

A. The latter.

Q. And Item 1 was you wanted to find out what plans the Church had for the defense of the Lavinda VanShake case in Boston; isn't that correct?

A. What these people told me was that they would -- they wanted to help Mike Flynn in any way. Their idea was, and they stated it, "We win when Mike Flynn wins." Obviously they wanted Mike Flynn to lose, but all of this is subjects which they brought up, for example, the Ingram-Tamimi connection. They had been working on that, so they said, for some months prior to ever meeting me. Some of them are -- my questions to get information, to get a flow of information coming outside of these people, that's what they wanted to do.

Q. These items were items, were they not, that you thought would be of particular value to Mr. Flynn?

A. Well, particular value to me, Flynn, to all the people that the Loyalists said they were aligned with; that is, all the people who sought to correct the tyranny.

Q. You knew, did you not, that Flynn represented Lavinda

VanShake in a suit against the Church?

A. Yes, I did.

Q. And that actually for Flynn to represent members of the Church in a minority-member suit or class action would be a conflict of interest on his part?

A. He was not going to represent those people.

Q. But you were obtaining information for Mr. Flynn; were you not?

A. If I got it, I would have passed it on.

Q. Now, Item 2 is: "Anything on Ingram, Tamimi, et cetera, PIs" -- private investigators that stands for, correct?

A. Yes.

Q. And that has reference to the $2-million check, doesn't it?

A. That's correct. Tamimi is somehow implicated in it. He authored an affidavit in 1984 -- or signed it. Ingram is involved in it and there's various other PIs involved in it. According -- again, a lot of the information I have was provided by the so-called Loyalists. They brought me in in large part because they said that it was a setup. They were working to prove that Flynn was innocent. That's not the case.

Q. Item 3 says "stats." That really is a request for information concerning the financial condition of the Church around the world, isn't it?

A. How is the Organization doing? They claim in their various publications that they are doing absolutely great. Always going to run into a conflict because on one hand they are going to say how they have been damaged and that there's no money, various rumors around that they are going into bankruptcy, that sort of thing. I wanted to know, you know, "stats", how in fact is the Organization doing? What is the truth? This is the kind of information which they offered to provide.

Q. Item 4 says "Anything" -- the word "anything" is underlined -- "from Hubbard or DM." DM, David Miscavage, isn't it?

A. That's correct.

Q. Why did you want just anything that came from either one of those two people?

A. The Organization had been representing in various jurisdictions that neither of these people, Hubbard nor David Miscavage, had anything to do with running the Organization. That's not true. These people knew it was not true. They began, even before I met any of them, the story was: they were trying to get something on DM -- that is, illegal activities. David Miscavage, he was their target. They are trying to find out what illegal activities the people in the top of the Organization were even involved in, DM and the people at ASI who controlled the Organization. That's also, in part, how I was brought into the Organization, that Loyalists group or whatever you want to call it, how I was sucked into this affair.

Q. Did you know, as of the fall of 1984, exactly who was running the Church and what the lines of Organization were?

A. I don't know that I could know exactly, but I had a pretty fair idea, because I had dealt with them in my case. I had been in communication with Terry Gamboa. I knew through the work that I had done inside the Organization how the legal apparatus was going to be set up and the various legal machinations that were going to be established so Hubbard could retain control of the Organization and not be held legally responsible for its activities.

So I knew through those things; the establishment of RTC, that is Religious Technology Center; ASI, Author Services Incorporated; and I knew of the use of the -- of the attorneys as cutouts to the private investigators. And a lot of this I got through my own knowledge talking to people, talking to -- realizing what representations they were making in various cases, and through information provided by the Loyalists.

Q. And yet you were asking the Loyalists to furnish you with Organization charts and a complete breakdown of the lines of communication so you could determine who was in charge. If you knew that, why were you asking for that information?

A. Again, you know, a lot of information came from them. I did not -- as I said, I had a good idea. I did not know who all the personalities were, who in fact are the people directly below David Miscavage, who are the private investigators, who are the figureheads in charge of the various Scientology corporations. So there's a lot that was known and a lot that was not known.

Q. Point 8 and 8A on this Exhibit 881 are: "Get me an original of an LRH Executive Directive, current, or other issue type which could be from Hubbard. Same for WDC." That's the Watchdog Committee, isn't it?

A. Right.

Q. Why did you want those documents? How did you figure they would help Mr. Flynn?

A. They wouldn't help Mr. Flynn.

Q. I thought that each of these items were items that you were passing on to help Mike Flynn?

A. No, you have misstated my testimony.

Q. I see. Well, what did you want those documents for?

A. You know, I can't even tell you at the moment, but I can -- I can gather that I would have wanted to see what the current issue from Hubbard is. I don't think anyone had a -- maybe that was a plan being tossed around at the time of -- of making an LRH ED. I mean there was a lot of document -- I mean LRH EDs, which are put out by Organization, which are not his. That was a pretty standard operation in the Organization, while I was inside. The LRH PRs created these statements as if from him. But I can't tell you if that was the plan. Nothing comes to mind. I would have wanted to see what they currently were.

Q. Did you have a copy of the LRH communication making you researcher on the biography?

A. I suppose I had the bad copy which had been produced in the Armstrong trial by the Organization, but that was definitely not an LRH ED. That was a typed Order which was, you know, separate from whatever is considered an Executive Directive in the Organization, which was published, mimeographed issues.

(Defendants' Exhibit No. 882 was marked for identification.)

MR. COOLEY: I move the admission of 881.

THE COURT: You have done that and it's been received, subject to the deletions.

BY MR. COOLEY: (Continuing)

Q. I show you what's been marked as Defendants' Exhibit No. 882 for identification, and I ask you, sir, whether that is a document in your handwriting which was delivered by you to Mr. Sherman for transmission to the so-called Loyalists.

A. It could be.

Q. Could be what, sir?

A. What you described.

Q. Number one, let's take it a piece at a time. It is in your handwriting, isn't it?

A. Yes.

Q. Do you recall about when you wrote it?

A. Probably sometime in early November.

Q.gest to you you turned it over to Mr. Sherman on October 20, 1984; would that refresh your recollection?

A. I'll have to accept whatever record you have of that, because I don't --

MR. WADE: Your Honor, an objection on two grounds. Number one, it appears to begin on Page 3, and Pages 1 and 2 are missing. And the second ground is that it's cumulative.

MR. COOLEY: All I can say is this document, in the form in which it is in the witness's hands, is the way it was turned over to me.

THE COURT: I think you will have to lay a foundation Mr. Cooley.

BY MR. COOLEY: (Continuing)

Q. Was there a Page 1 and 2 that you turned over to Mr. Sherman?

A. You know, I seem to recall this document. I can't tell. If you have an affidavit from Mr. Sherman, then that's a different subject. But my recollection is, this formed part of -- I really can't say one way or the other. I can't say. This is my handwriting. It's my signature.

Q. And does it deal with, in itself, with a subject matter entitled "prospective for the troops" and does everything that follows in numbered paragraphs relate to that heading?

A. Yes.

Q. And was it intended for transmission to the Loyalists?

A. Yes.

MR. COOLEY: I would offer it.

MR. WADE: We would object on the grounds it's cumulative, Your Honor.

MR. COOLEY: This is completely different, Your Honor.

THE COURT: Overruled.

(Defendants' Exhibit No. 882 was admitted into evidence.)

BY MR. COOLEY: (Continuing)

Q. Mr. Armstrong, I ask you if you, at the time you wrote this, were marshalling for the so-called Loyalists the litigation picture of L. Ron Hubbard?

A. Yeah. This is what they requested of me on a number of occasions. They continually wanted to know from me: What's going on in all the various cases? What's the perspective? What's the overall picture?

Q. And?

A. Which was, you know, in a rather clipped form I've provided here. They indicated that they did not have access to -- in a lot of cases, dates to things that were happening on the outside, and they wanted me to keep them abreast of what was going on, which I tried to do. All of this document is kind of -- you know, coming from my mind, my perspective. And it is what it is. No one else is the source of it.

Q. You pointed out to him Julie Christofferson's case was then scheduled to go trial on February 4th?

A. Yes.

Q. And Hartwell's, February 25th?

A. Yeah.

Q. VanShake's, the early part of the year?

A. Yes.

Q. Mr. Samuels had a pending matter in the Oregon Supreme Court; correct?

A. Okay.

Q. And then you had Flynn's case in the Federal District Court in even Boston?

A. Yes.

Q. And you had a ruling pending down in LA concerning your case?

A. Yes.

Q. And your counterclaim, you expected your sixty million dollar claim to be tried in 1985; correct?

A. Yes.

Q. And you had referred to Homer Schomer's case for two hundred and sixteen million dollars?

A. I don't put any money in there. I didn't even know of the amount until you mentioned it.

Q. All right. Even without regard to Homer Schomer's case, you say in item seventeen, "If only half these cases pay off, there could be such a run on the bank that it will make black Monday look like a light beer camping trip"; is that right?

A. That's correct.

Q. The ideas you are attempting here to convey to the so-called Loyalists is that the litigation of which you are aware, and in which you are involved either as a party or as a witness, has the prospect of bankrupting the Church of Scientology; isn't that a fair statement?

A. Well, I don't read it like that, but that was a continual concern which they had, and which they expressed to me, was the money, which was going to private investigators, to attorneys, and that these various things threatened their organization; that was part of the come-on they wanted it to end.

Q. They wanted it to end and there was no way it could end except by a settlement of those cases and payment to the plaintiffs; isn't that right?

A. Well, I would say that that remains in reality today; that sooner or later the organization can bob and weave, but that all of those people who have been damaged by this organization, have been defrauded -- and there's a lot of them -- and those who are willing to persist and stand up to this organization, sooner or later, in spite of all the bobbing and weaving, those cases are going to come to trial.

You are sitting here in one right now. It took a long time, and they had a concern about it. I don't have any particular desire to have the whole thing go on another ten years in my life and be continually involved. I think that it can be resolved. I think that it requires a philosophic shift on the -- whoever is running the organization. And they have to realize that the suppressive person doctrine is, itself, suppressive, and that they cannot continue to hurt people. No organization not even calling itself a church can get away with those kinds of atrocities.

And, yeah, I sought resolution of the whole thing. And I still see that this as much the same case that bobbed and weaved. Some of the cases are put back a little bit. Sooner or later they are going to come to trial. Sooner or later justice will prevail. I have a -- you know, maybe a mustard seeds faith in the justice system of this country, and

I think that ultimately that's what's going to happen. And --

Q. Didn't you indicate on the tape you had no faith whatsoever in the judicial process, sir?

MR. WADE: Objection, Your Honor. Number one, it misstates the evidence. Number two, it's irrelevant.

THE COURT: Well, now, I didn't hear that, but if the jury heard that, that's up to them to make that determination.

BY MR. COOLEY: (Continuing)

Q. Didn't you talk about that blindfolded lady holding those goddamned scales? Don't you remember that on the tape, sir?

A. That's right. And what I was talking about was the difference between -- again you are getting it from me; I'm not an attorney -- between law and justice. These people use every possible piece of the law; they are not just. And the wheels of justice grind very slowly, but exceedingly fine. And ultimately, I think justice will prevail.

They have been able to get around the Courts, they have been able to con judges, they have been able to attack judges, they have been able to attack jurors, they have been able to attack witnesses, they have been able to attack attorneys, but sooner or later --

MR. COOLEY: Your Honor, I move that the

witness be gagged.

MR. WADE: Objection, Your Honor.

THE COURT: Just wait a minute. Number one, if you are going to keep screaming, you are going to get gagged.

MR. COOLEY: I understand --

THE COURT: Wait a minute. I'm serious Mr. Cooley. No, I told you early on, no yelling, screaming or displays in this courtroom.

MR. COOLEY: He wasn't even responding.

THE COURT: You can talk normally.

MR. COOLEY: I don't want to get in trouble. He wasn't even responding.

THE COURT: You won't get in trouble as long as you don't yell. Now you asked him a question regarding justice and what he said on the tape. He is giving you an explanation. Now you've got take the explanation. So sit down.

Go ahead.

BY MR. COOLEY: (Continuing)

Q. Go ahead, Mr. Armstrong.

MR. COOLEY: I will get a chance to ask him a few questions, I trust?

THE COURT: I would presume so, Mr. Cooley.

MR. COOLEY: Thank you.

THE WITNESS: Anyway, regarding justice, I think that's pretty well where -- where I come from regarding this system. Occasionally, you know -- and I admit it -- after the Armstrong trial, I really felt that the courts cannot contain these people with Mr. Peterson there making statements in court which were completely untrue. We had Mr. Cooley making statements yesterday which were completely untrue. Fortunately, the jury was not in at that time. It was absolutely uncalled for.

MR. COOLEY: Is this proper, Your Honor?

THE COURT: No, this is not proper.

THE WITNESS: That's it.

THE COURT: That last part, members of the jury, disregard. What was not in your presence is not for you to worry about.

All right, your next question, Mr. Cooley.

BY MR. COOLEY: (Continuing)

Q. No one lies but you, is that your position, Mr. Armstrong?

MR. WADE: Objection, Your Honor.

THE COURT: Sustained. That's an improper question.

MR. COOLEY: He just accused me of being a liar, Your Honor. I don't have a chance to defend myself.

THE WITNESS: I can give you a specific.

THE COURT: Let's not get into that, yet.

BY MR. COOLEY: (Continuing)

Q. Mr. Armstrong, if you had such an abiding faith in the administration of justice and that the Courts and the juries that are provided under our constitutional form of government would ultimately do justice, why did you try so hard to avoid Scientology being able to submit its case to a jury and try to get every one of Mr. Flynn's cases settled by infiltration of the Church through the so-called Loyalists?

A. I think that that is a complete misstatement of everything I have said and everything I have intended. The organization has not sought to bring cases to trial. They have sought to avoid bringing them to trial. And there's nothing wrong in the justice system in settlement. I didn't even seek any -- any compensation for it. I wanted it to end. I still want it to end. I think -- I do have some faith in the system; a heck of a lot more than I had when I was a Scientologist. And this was simply known as wog justice, and it was laughed at and despised. I sought to help these people and sought to again use the courts to bring about a resolution of a problem which they stated as their problem. I was inveigled into it and I was entrapped by them.

Q. Is that it?

A. That's it.

Q. You say you don't want any compensation. You certainly wanted sixty million dollars down in California; isn't that right?

A. Mr. Cooley, there was a time when I approached these -- they came to me and I talked to them. And I said, "I want nothing. You want to talk global settlement? You can have me for free." However, I even told them in my own case, "You can have me for free." But I had attorneys who had been defending me for two years and to whom I was indebted, and I said, "It doesn't make any sense after all you have done to me, the attacks on me. You sued me. It doesn't make any sense to me that I should now tell my friends, my attorneys, to screw off." So I said, "But me, personally, you can have me for free." You know, for whatever --

Q. How much did you want for your lawyers?

A. I never really discussed it with my lawyers, but just as a guess, having worked in a law firm, I told them that probably they had expended about a hundred fifty thousand on my behalf in my defense. Probably, that's really minimal for two years' work of attorneys of this caliber. This organization has probably paid two million dollars to destroy me. However, my attorneys are pretty decent folk.

But the organization didn't go for that. They decided instead to mount this op, as they call it, against me, and hence I have no other choice but to litigate my cross complaint. And frankly, I think that I do everyone a service if I collect from these people, because that money will simply be used to destroy more people. What does the organization produce? It produces nothing but broken individuals, hurt people.

Q. Do you figure you have a better use for the money, in your hands?

A. I think so.

(Defendants' Exhibit 883 was marked for identification.)

BY MR. COOLEY: (Continuing)

Q. I show you what has been marked for identification as the Defendants' Exhibit 883. I ask you, sir, whether that is a document written in your hand under date of November 8, 1984, furnished to Dan Sherman in early November, for transmission to the so-called Loyalists?

A. What was the date?

Q. It's up in the upper right-hand corner; November 8, 1984. The day before your second meeting with Joey.

A. Yes. This is in response to their questions.

Q. Whose questions? Joey's?

A. Yes.

Q. All right.

MR. COOLEY: I offer this, Your Honor.

MR. WADE: Your Honor, this document is clearly cumulative. What it discusses is the Judge Krensman matter in Florida. There's been testimony on the tape about the Judge Krensman matter, the funds to ASI, the legal expenditures, the funds to PIs, the running of the operation of the Church by ASI, PIs' harassment --

MR. COOLEY: Your Honor will be pleased to know this is the last of the documents except for a packet mailed out of Portland on March 10th that I haven't had a chance to review yet.

THE COURT: All right. Go ahead, Mr. Cooley.

BY MR. COOLEY: (Continuing)

Q. Now, sir, in this document you are apparently answering some questions that have been asked of you by Joey that you were furnishing to Dan for transmission to him; correct?

A. They are questions I understand which came from -- you know, above Joey in the organization. In this Loyalist group he said there was a group called the "committee" and they were the committee who were -- they were asking questions regarding the complaint which I had had prepared by Mike. And these -- I don't have the questions, but I think this is pretty clear as to the whole thing. I don't have any problem with it. I think it lays out pretty well the whole situation.

Q. On page three there is an answer, your answer to something.

A. Okay.

Q. Would you tell me what question that answers.

A. No. I wish I had their list. They have it, because they asked me the questions or they sent me out a note. I don't recall which, but obviously they --

Q. Well the answer is that you write here: "Let me make one thing very clear. You don't even need to prove that. That's what gives the Court urgency.

MR. WADE: Your Honor, is this evidence?

THE COURT: No. Without the question, Mr. Cooley --

MR. COOLEY: I'm sorry, I thought this is in evidence, Your Honor.

THE COURT: No, 883 is not in evidence yet, is it? Was it received?

We've got a problem here in that he doesn't have the questions. If I have misunderstood the objection, then possibly I'm in error.

MR. WADE: I didn't know it was in evidence. If it's in evidence, of course, Your Honor, we'll object until we know what he is answering, what questions he would be in answer.

THE COURT: Let me understand the

document.just answers without the questions? I've not seen the document.

MR. COOLEY: Someplaces, Your Honor, I see, for example, a question. Okay? On page two I see question, answer, question, answer. But when you get to the top of page three I have answer, but I don't have question. And I'm trying to find out what the question was.

THE COURT: Where there is question and answer and he knows about it, that's fine as far as 883. But if he doesn't know what the question was and the answer is being taken out context, then I can't let you do that, Mr. Cooley.

MR. COOLEY: Let me ask the witness --

BY MR. COOLEY: (Continuing)

Q. Do you have any memory of the question that you were answering on page three?

A. Well, my recollection is that it had to do with some other part of this actual crimes needed. They were asking in the complaint by -- which was -- You know, these Loyalists were going to file. There are mentions of -- a couple of -- my recollection is a couple of illegal activities, both of which the Loyalists knew something about. There were people outside the organization who also knew something about these illegal activities. In fact, I have mentioned one in here:

John Nelson, regarding the Krensman deal. The Krensman deal was an operation, and Joey acknowledged this, in Tampa, Florida, to charter -- they had a privage investigator charter a yacht, install on the yacht a hidden camera and entice onboard people in the Tampa Bay area who were perceived as enemies of the organization. That's what he admitted to. There are other allegations of the use of drugs and prostitution. He never admitted to that.

In any case, I think here, we are talking about those -- a couple of instances which were cited in the complaint. And I think that this then goes -- and I could read it all if you want.

THE COURT: I wanted to have a chance to look at that document and reflect on it. 883, I'm going to hold off on admitting that until he has a chance to look at that so that he can answer without hesitation as to what the question was. I don't want any guesswork on this. We'll recess at the present time and we will resume tomorrow morning at 9:30.

Please remember my cautionary instructions. I will go through them again. Do not discuss the case amongst yourselves at the present time. Don't let anyone discuss it with you. If anyone should attempt to do so, that fact should be known to the

Court. The other instructions that I have been giving you regarding reading newspapers, television, radio, do all those things. Avoid reading about the case or any parties to the case.

Okay. We'll see you at 9:30 in the morning. Leave your notes in the jury room.

(Jury was excused.)

THE COURT: We will resume Defendants' Exhibit No. 883 in the morning. I want the witness to read that exhibit so he can intelligently answer it, if he can answer, any questions Mr. Cooley may have. At that time, you may reoffer it, Mr. Cooley.

MR. COOLEY: I didn't hear the last comment.

THE COURT: At that time you may reoffer it.

MR. COOLEY: Thank you, sir.

MR. COOLEY: After he's had a chance to review it overnight, I may not want to reoffer it, but we'll see.

THE COURT: Whatever. But I want him to see it. Okay. We are in recess.

(Court recessed at 4:50 p.m.)